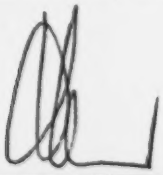
PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

PERFORMANCE REPORT

For the period ending
March 31, 2008



The Honourable Christian Paradis
Minister of Public Works and Government Services
Receiver General for Canada

Public Works and Government Services Canada

Travaux publics et Services gouvernementaux Canada

Canada

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MINISTER'S MESSAGE

I am pleased to present the Departmental Performance Report for Public Works and Government Services Canada (PWGSC) for the year ending March 31, 2008.

During this past year, Public Works and Government Services Canada continued to deliver high-quality services and programs to meet the needs of federal organizations and ensure sound stewardship on behalf of Canadians.

We are ensuring this country's many small and medium enterprises have open and fair access to government contracts. By improving procurement instruments and providing a broad range of services, PWGSC is promoting fairness and accessibility for Canadian businesses from coast-to-coast.

PWGSC is also making military procurement faster and more efficient, enabling us to meet the safety and security needs of our soldiers. This year alone saw the procurement of, among other things, 17 tactical aircraft, the delivery of four strategic airlifts and the maintenance and modernization of Canada's 12 frigates.

PWGSC has also taken a number of measures to fulfill the government's commitments under the *Federal Accountability Act* including the introduction of a Code of Conduct for Procurement and the establishment of the Office of the Procurement Ombudsman. The department is also moving forward with its commitment to reduce public opinion research expenditures by $10 million.

As part of our ongoing efforts to provide sound and transparent management of real property, PWGSC this year concluded the sale-leaseback of seven federal office properties. This $1.41-billion transaction will produce positive long-term benefits for Canadians.

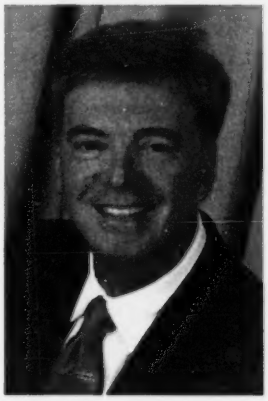
By the same token, PWGSC continued with the renovation of our historic Parliamentary Precinct, working not only to preserve and enhance the beauty of these national treasures but also to meet the needs of a functioning Parliament as well.

Finally, PWGSC is doing its part to ensure Canada remains green and healthy for generations to come. Our efforts include contributing to the clean up of the Sydney Tar Ponds and constructing and renovating green buildings from sea-to-sea.

In conclusion, Public Works and Government Services Canada has continued to excel in government operations on behalf of all Canadians.

The Honourable Christian Paradis

MANAGEMENT REPRESENTATION STATEMENT



I submit for tabling in Parliament, the 2007-2008 Departmental Performance Report for Public Works and Government Services Canada.

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the 2007-08 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

François Guimont
Deputy Minister of Public Works and Government Services

DEPARTMENTAL OVERVIEW

Summary Information

Our Vision - To excel in government operations.

Our Mission - To deliver high-quality services and programs that meet the needs of federal organizations and ensure sound stewardship on behalf of Canadians.

Our Business - PWGSC has annual expenditures of approximately $5.2 billion and employs about 13,000 people. We provide a wide range of services such as purchasing goods and services, managing the government's accommodations and real estate portfolio including restoration of the Parliament Buildings, pay and compensation, Information Technology (IT), as well as industrial security, audit and linguistic services.

Our Strategic Outcomes – PWGSC has two strategic outcomes: Quality Services and Sound Stewardship. Our focus on Quality Services and Sound Stewardship contributes directly and indirectly to the Government of Canada's four strategic outcome areas: those related to economic, social, international and government affairs. (See Canada's Performance 2007 at http://www.tbs-sct.gc.ca/reports-rapports/cp-rc/index-eng.asp). The program activities that support our strategic outcomes are outlined below.

PWGSC - 2007-2008 Program Activity Architecture

Quality Services **Departments and agencies benefit from a range of efficient government-wide central services.**	Sound Stewardship **Canadians benefit from the application of sound stewardship and oversight in the provision of government-wide central services.**
(16 Program Activities)	*(10 Program Activities)*
1. Federal Accommodation and Holdings	1. Real Property Stewardship
2. Real Property Services Revolving Fund	2. Supply Operations Stewardship
3. Real Property Disposition Revolving Fund	3. IM/IT Stewardship
4. Acquisition Services	4. Receiver General Stewardship
5. Optional Services Revolving Fund	5. Public Service Pay Stewardship
6. Defence Production Revolving Fund	6. Public Service Pension Stewardship
7. IM/IT Services	7. Government Information Stewardship
8. Telecommunications Services Revolving Fund	8. Business Integration – Performance Management
9. Receiver General Services	9. Translation Stewardship
10. Public Service Compensation Services	10. Greening Government Operations Stewardship
11. Government Information Services	
12. Consulting and Audit Canada Revolving Fund	
13. Business Integration Services	
14. Translation and Interpretation to Parliament, Conference Interpretation, Terminology	
15. Translation Bureau Revolving Fund	
16. Greening Government Operations Services	

Note 1: For details of the PWGSC 2007-2008 Program Activity Architecture (PAA), including sub-activities, see http://www.tpsgc-pwgsc.gc.ca/reports/.
Note 2: The Corporate Management Program Activity is on-line and may be found at http://www.tpsgc-pwgsc.gc.ca/reports/. Following a re-organization in May 2007, the Business Integration - Client Relations Management Program Activity was eliminated.

Financial and Human Resources

(in millions of dollars)

		2007-2008			
	Actual 2006-2007	Main Estimates	Planned Spending	*Total Authorities*	Actual
GOVERNMENT SERVICES PROGRAM					
Operating (including Special Purpose Allotments), Capital, Grants and Contributions and Statutory Votes					
Federal Accommodation and Holdings[Note 1]	1,728.3	1,868.5	2,306.1	*1,672.1*	**1,521.0**
Real Property Services Revolving Fund	-	-	-	-	**(0.5)**
Real Property Disposition Revolving Fund	(6.1)	(8.0)	(8.0)	*(8.0)*	**(8.7)**
Acquisition Services	169.5	149.3	151.0	*161.6*	**164.7**
Optional Services Revolving Fund	(0.9)	-	-	-	**(3.3)**
Defence Production Revolving Fund	-	-	-	-	**-**
IM/IT Services	259.0	136.4	182.0	*217.1*	**214.7**
Telecommunications Services Revolving Fund	(6.8)	-	-	-	**(0.7)**
Receiver General Services	7.3	8.6	8.7	*8.6*	**7.8**
Public Service Compensation Services	1.9	1.7	1.8	*2.3*	**2.1**
Government Information Services	30.8	25.2	30.1	*13.2*	**14.5**
Consulting and Audit Canada Revolving Fund	(0.5)	-	-	-	**-**
Business Integration Services	15.5	7.5	7.5	*18.3*	**16.4**
Translation and Interpretation to Parliament, Conference Interpretation, Terminology	58.2	55.7	55.7	*57.7*	**57.8**
Translation Bureau Revolving Fund	4.6	-	-	*6.2*	**3.3**
Greening Government Operations Services	-	-	-	*10.6*	**10.2**
Total Quality Services	2,260.8	2,244.9	2,734.9	*2,159.7*	**1,999.3**
Real Property Stewardship	51.3	41.8	42.2	*73.0*	**67.1**
Supply Operations Stewardship	64.4	28.2	57.2	*62.8*	**47.4**
IM/IT Stewardship	14.2	13.3	13.5	*17.7*	**13.9**
Receiver General Stewardship	128.0	130.3	130.5	*131.1*	**126.6**
Public Service Pay Stewardship	31.9	26.6	26.9	*38.0*	**36.7**
Public Service Pension Stewardship	23.3	17.8	19.0	*24.8*	**23.3**
Government Information Stewardship	20.3	17.5	17.5	*22.1*	**21.5**
Business Integration - Performance Management	6.1	4.5	4.4	*7.0*	**7.0**
Translation Stewardship	2.4	2.4	2.4	*2.4*	**2.4**
Greening Government Operations Stewardship	0.7	6.4	5.7	*3.0*	**2.7**
Total Sound Stewardship	342.6	288.8	319.3	*381.9*	**348.6**
Gross Expenditures	5,031.2	4,622.3	5,142.9	*5,227.5*	**5,225.7**
Less: Respendable Revenues	2,427.9	2,088.6	2,088.7	*2,685.9*	**2,877.7**
DEPARTMENT TOTAL	2,603.4	2,533.7	3,054.2	*2,541.7*	**2,347.9**
Less: Non-Respendable revenues	63.8	20.9	20.9	*1,417.3*	**1,417.3**
Plus: Cost of services received without charge	60.2	38.3	38.3	*53.8*	**53.8**
NET COST OF DEPARTMENT	2,599.8	2,551.1	3,071.6	*1,178.2*	**984.4**
FULL-TIME EQUIVALENTS (FTEs)	12,338	12,718	11,870	*12,581*	**12,764**

Note 1: The variance between authorities and actual spending is due to uncontrollable and unpredictable nature of the real property activities that impact the delivery of some projects such as: market fluctuations driving the price of commodities; weather conditions impacting the consumption of utilities and the delivery of some projects; delays in the delivery of several repair and Sustainable Development Strategy projects; reduction of rental payments resulting from lease negotiations and also, reduction in Payments In Lieu of Taxes due to revised valuation. It is also attributable to capital projects that could not be implemented according to schedule because of contractor delays, or contractor delivery issues.
Note 2: Totals may not add up due to rounding.

Operating Environment

PWGSC is the Government of Canada's principal provider of common and central services. We support the daily operations of 125 federal departments and agencies, and administer the legislative and policy requirements of 19 Acts of Parliament (see Section IV for details).

Our operating environment is influenced by the priorities of government and the service demands of our client departments and agencies.

PWGSC's work in meeting the government's priorities has focused on: supporting the government's "Canada First" Defence Strategy in the area of military procurement; advancing the government's environmental agenda in the area of greening of government operations; and, supporting the implementation of the *Federal Accountability Act* with the introduction of a Code of Conduct for Procurement, and the appointment of a Procurement Ombudsman.

Various areas of PWGSC's business have been strongly influenced by external conditions. Some key examples are: the ongoing engagement of our forces in Afghanistan, which has significantly increased our activities in the area of military procurement and the associated demands for high standards of timeliness, efficiency and quality; the high demand for construction services and the related skilled labour, particularly in western Canada, which has led to challenges in carrying out work in the area of real property; and the low number of translators emerging from university and college programs compared to the demand, which poses ongoing challenges to our recruitment efforts in this area.

The principal internal factor affecting PWGSC is the challenge posed by our aging workforce and the related need to attract highly skilled professionals. We are facing a significant loss of professional and technical expertise in a wide range of disciplines, such as translation, accounting, engineering, information technology, and procurement. We must address workforce renewal in order to continue providing the highest quality services to our clients and Canadians.

Results for Canadians

PWGSC Strategic Outcomes

Quality Services

- Accommodated 241,000 federal employees at more than 1,800 locations.
- Purchased over $12 billion worth of goods and services with about 60,000 procurement transactions.
- Provided IT services to 125 departments and agencies.
- Started the rehabilitation of the Parliament Buildings.
- Worked towards modernizing pension and pay systems.
- Continued leading federal government involvement in remediation of the Sydney Tar Ponds and Coke Oven sites.
- Completed the sale/leaseback of seven office properties, creating $1.41 billion in revenues.
- Published the *Canada Gazette*, the official journal of the Government of Canada, which is consulted by people in more than 200 countries worldwide.
- Provided Parliament and its committees with translation and interpretation services for over 1,500 sessions.
- Introduced an on-line inquiry service to immediately confirm the status of personnel security clearances.

Sound Stewardship

- Continued using Leadership in Energy and Environmental Design Rating System for federal office buildings; began third-party assessment of environmental performance.
- Introduced green procurement plans for 31 categories of goods and services, representing $2.3 billion in spending.
- Introduced a Code of Conduct for Procurement and appointed a Procurement Ombudsman.
- Through the Office of Small and Medium Enterprises, helped 18,000 enterprises do business with the federal government.
- Adopted a risk-based approach to looking at the total cost of ownership when making real property decisions for long-term office accommodation.
- Handled $1.6 trillion in Receiver General cash flow, involving 255 million payments in almost 150 countries.
- Administered compensation for over 318,000 government pay accounts and 342,000 pensioner accounts, issuing approximately 13.5 million payments.
- Provided Public Opinion Research services used by 45 departments and agencies: Advertising Coordination for 68 institutions.

Our 2007-2008 Performance

Our 2007-2008 Report on Plans and Priorities identified four priorities:

- Continuing to transform our business so that we can deliver services faster, smarter and at reduced cost, while improving accountability of our operations;
- Supporting the government's agenda, particularly in key areas such as military procurement, security, accountability and the environment;
- Managing effectively our major projects of national importance, notably the extensive renovations to the Parliamentary Precinct; and
- Continuing to deliver the full range of common and central services to departments and agencies.

The following lists the highlights of our 2007-2008 performance results for these priorities:

- We continued to lead procurement renewal, improving government-wide procurement of goods and services by enhancing guidelines, processes, tools and instruments. For example, along with client departments, we improved procurement instruments such as standing offers and supply arrangements. We also developed preliminary government price indices to track price variations of five selected commodities in order to ensure that government receives best-value procurement. Additional price indices are being developed.
- In the area of real property, we completed the sale-leaseback of seven office properties for $1.41 billion. We also adopted a new business model applying industry best practices to manage our real property services, thereby reducing long-term financial risks to the government by transferring these to the private sector. In addition, we achieved savings of more than $160 million in real property management.
- Information technology services were provided to 125 departments and agencies without a single significant operational incident during the entire year, an excellent achievement demonstrating high service excellence. In the area of IT shared services, we continued with our vision to become the centre of excellence for the delivery of IT shared services to government; and to build a common IT infrastructure across government. Five departments and agencies participated in our IT shared services pilot project, which offered great potential to be applied progressively to all departments and agencies. PWGSC has sought TB Approval for a Data Centre Consolidation project, which will result in significant cost savings as well as improved security and reduction in power consumption.
- In 2007-2008, we obtained approval for the modernization of the Government of Canada's public service pension administration. Central to this effort will be the replacement of a 40 year-old system with sustainable and modern technology, which will enable industry-standard levels of service and new business processes. A similar modernization is being considered for the Public Service Pay system.
- We supported the "Canada First" Defence Strategy by placing special emphasis on making military procurement more efficient. Greater interdepartmental cooperation has resulted in significant reductions in procurement times for military equipment, thereby providing improved support to Canadian soldiers in Afghanistan.
- As part of the *Federal Accountability Act*, we assisted in the establishment of the Office of the Procurement Ombudsman to provide a

neutral forum to address the concerns of suppliers. This office became fully operational in May 2008. We also introduced a Code of Conduct for Procurement, which provides a concise statement of acceptable conduct, when contracting with the government, to ensure that both government employees and suppliers share the same expectations and commitments.

- In support of the *Federal Accountability Act*, and its accompanying Action Plan, the Minister of PWGSC and the President of the Treasury Board announced the appointment of an independent advisor, in April 2007, to conduct a full review of government public opinion research (POR) activities. We supported the work of the Independent Advisor, whose report was released along with the government's response in December 2007. We also supported development of additional measures to improve POR oversight, planning and expenditure control, which will help support the government's plan to cut POR expenditures by $10 million in 2008-2009.
- As part of our responsibilities for industrial security, we responded to all recommendations from the Auditor General's 2007 Report – Chapter on Safeguarding Government Information and Assets in Contracting. We strengthened the Industrial Security Program by: undertaking a third-party management review of program operations; creating a new industrial security management board for advice and oversight; and completing a business improvement project to automate data transfer between procurement and security information systems.
- We led the greening of government operations, working closely with other departments to develop government-wide policies and strategies for sustainable buildings, green procurement and the measurement of environmental performance improvement. PWGSC led the Sydney Tar Ponds and Coke Ovens hazardous site clean-up in a joint effort between Canada and Nova Scotia. We also worked with the Canada Green Building Council to develop a new rating system that evaluates a building's life-cycle, consulted federal departments on electronic waste disposal, and implemented our new Policy on Green Procurement.
- In June 2007, the government approved the revised Long-Term Vision and Plan for the Parliamentary Precinct. This plan adopts a more accountable and strategic approach to the renovation and restoration of the buildings on Parliament Hill. The first five-year program of work focuses on stabilization and preparation of the West Block for major renovations and preservation work on the East and Centre Blocks.
- Over the last ten years, federal, provincial and territorial governments have jointly collaborated in the Bulk Purchasing of Drugs and Vaccines Program, resulting in reduced health care costs for Canadians. In 2007-2008, two long-term contracts were signed to supply pertussis-containing vaccines, saving federal, provincial and territorial jurisdictions in excess of $82 million. This program has grown by more than 500% since its inception.
- We modernized our linguistic services, introduced new technologies, and expanded the scope of our offerings so that more Canadians can participate in the democratic process of our nation. We implemented a voice recognition system that will provide Francophones, who are hard of hearing, with access to live broadcasts of Question Period. We provided translation and interpretation

services for more than 1,500 sessions of Parliament and its committees, as well as 1.5 million pages of translation for other federal organizations, at some 60 points of service across Canada.

- We placed increased emphasis on improving the management structures, tools and processes to drive quality and efficiencies into all facets of our operations. We have also made improvements to our performance measurement framework and upgraded our financial management system (SIGMA) in order to provide consistent and integrated financial information. We also established a procurement oversight committee to ensure due diligence in our departmental procurement plans and activities.
- We developed a five-point human resources plan and renewal strategy, which included the recruitment of more than 360 new post-secondary graduates.

Lessons Learned

During 2007-2008, PWGSC identified a number of key lessons learned which we will incorporate into our future strategic planning efforts, including:

- **Engagement** - A key lesson learned from our transformation initiatives was the importance of consulting early and often with stakeholders, ensuring a shared understanding of our goals and implementation plans. Much of PWGSC's business activities are carried out in conjunction with client departments, who have their own role to play in the process, and with our suppliers. Since successful partnership requires a shared understanding of priorities and directions, we have worked hard over the past year to engage clients and to ensure their views are reflected in our strategies and plans.
- **Managing for Quality** - Our work to improve service to clients and provide good value to Canadians has led to a focus on improving our tools and processes. These include items such as procurement manuals, contract oversight, project management, technical training, and other tools and activities essential to our business. By building quality into these fundamentals, we can ensure quality outputs, with fewer errors, and greater efficiency.
- Our Management Accountability Framework (MAF) is part of our effort to improve quality. We are taking steps to improve our use of different departmental planning, performance measurement and reporting tools, as well as different change management frameworks and diagnostic tools used in human resources management. Results of our efforts were evident in the department's annual MAF assessment, with improved ratings in 11 of 20 areas of management in 2007-2008.
- **Renewing our Workforce** – An important lesson learned during 2007-2008 is that renewal of our workforce has been, and will continue to be, a challenging priority for PWGSC. We must confront the major risks posed by increasing retirements, changing demographics, and growing demands for leading-edge knowledge and skills. Over the coming years, we must also continue our renewal efforts to recruit, develop and retain the people that PWGSC needs to strategically support the public service of the future. In doing so, PWGSC will be supporting the Clerk of the Privy Council's priority on Public Service Renewal.

2007-2008 Summary – Planned and Actual Results

Key Planned Results	Actual Performance Results
Real Property	
• Five-year savings of $1.025 billion: $150 million in each of the first two years (2005-2007), and $170 million in 2007-2008.	• Achieved savings of $160 million for 2007-2008, from the five-year savings of $1.025 billion. This represents $142 million of efficiencies within PWGSC and $18 million attributable to organizations that reimburse PWGSC for services. As a result, we have achieved 77% of our five-year targets in just over three years ($792 million of $1.025 billion).
• Review the recommendations from the study of 40 properties within PWGSC's Crown-owned real property portfolio to determine the most cost-effective and efficient way to provide accommodation while generating savings.	• Completed the sale and 25-year leaseback of seven federal office buildings for $1.41 billion.
• Reduce the average space per Full-Time Equivalent (FTE) employee from the 2005-2006 baseline of 21.4 to 18.4 m^2 by March 2011.	• As of 2007-2008, space has been reduced to 19.6 m^2/FTE.
• Continue to implement the National Capital Area Accommodations Strategy of a 75/25 distribution ratio for Ontario and Quebec.	• In 2007-2008, this ratio was 77/23. Competitions for the development of new Gatineau office space were announced in 2007 as part of the commitment to achieving the 75/25 target. These new buildings will be operational in September 2011 and leased for a 25-year term.
Acquisitions	
• Implement a Code of Conduct for Procurement.	• The Code of Conduct for Procurement was introduced in September 2007.
• Create savings for government's annual expenses for travel and hotel accommodation and associated administrative support through the Shared Travel Services Initiative (STSI).	• Estimated STSI savings for 2007-2008 are 3% for accommodation services and 4% for car rental services.
• Increase the number of suppliers registered on the Supplier Registration Information (SRI) service.	• During 2007-2008, the number of companies registered on SRI increased by 8.16%.
• Increase our efforts to involve suppliers and give them more time to adjust to changes with respect to Procurement Transformation.	• During 2007-2008, PWGSC assisted approximately 18,000 Small and Medium Enterprise (SME) representatives.
• Work with the Department of National Defence (DND) to address the pressing recruitment, retention and training challenges for military procurement and project management.	• PWGSC worked with DND to develop an integrated strategy, addressing challenges facing the federal procurement community involved in military procurement, including a proposal to harmonize an intern officer program with the professional development program at DND.
Information Technology Services	
• Increase the number of organizations participating in a shared services approach in the area of Information Technology (IT) over the next five years.	• Actions taken included: initiation of a client portfolio framework; establishment of an IT-Shared Services Council; and strengthening of product governance resulting in a 12% growth in shared services.
• Work with public and private partners to ensure that we have the needed internal expertise to create new enterprise-wide shared IT products and services.	• An integrated human resources plan was approved, a mentoring program was launched, individuals were sponsored in graduate studies, recruitment initiatives both internal and external were undertaken and a Workplace of Choice program was implemented coast to coast.
• Move the Secure Channel to a full cost-recovery mode of operations.	• The Secure Channel is now on full cost-recovery.
• Finalize an agreement with the Canada Revenue Agency (CRA) for data centres facilities management.	• Completed a Letter of Intent with the CRA to partner in Data Centre Consolidation. Further actions will be undertaken in 2008-2009 on data centre facilities and funding.
• Continuing to work with partners responsible for delivering and managing IT infrastructure and shared services to ensure better technology and business alignment.	• Process and technology improvements were made. IT services were aligned to the Treasury Board Secretariat Profile, the Product Maturity Index was significantly improved, the business process model was finalized and the newly implemented PWGSC financial system will permit more analysis of the cost-effectiveness of each product.

2007-2008 Summary – Planned and Actual Results

Key Planned Results	Actual Performance Results
Receiver General/ Public Service Compensation	
• Continue to modernize the Public Accounts of Canada to provide the government with better information to manage its finances.	• Continued to improve reporting to Parliament and to the public, particularly for the production of the Monthly Statements of Financial Operations, which bettered the target of an average 25 working days after month-end. The 2006-2007 Public Accounts of Canada were produced in compliance with the established schedule.
• Continue to expand the use of direct deposit in Canada and abroad.	• In 2007-2008, 70.8% of payments were made electronically. Direct deposit participation increased by 5.3 million for a total of 172 million direct deposit payments, an increase of 2.7% over the previous year. This method of payment was established in 14 additional countries. The direct deposit program eliminated approximately 2,500 metric tonnes of paper last year, saving approximately 60,000 trees.
• Continue to work with the Treasury Board Secretariat (TBS) in its insurance renewal initiative, which will modernize the delivery of federal government benefit programs. In 2007-2008, a new service delivery model will be completed using current and enhanced systems to prepare for the requirement to enrol members in two additional plans – the Public Service Health Care and the Public Service Dental Care plans.	• A proposed service delivery model to address insurance renewal for three plans: the Public Service Health Care Plan; the Public Service Dental Care Plan; and the Pensioners Dental Service Plan, was presented to TBS. In September 2007, TBS re-evaluated its original renewal plans and changed its scope to include the Public Service Health Care Plan only and to address specific issues. Additional recommendations will be made to TBS in 2008.
• Broaden the existing PWGSC pay administration services, to generate significant government-wide operational savings, especially in employee and manager self-service capabilities.	• In 2007-2008, two payroll-benchmarking studies were conducted with the TBS requirement to include a jurisdictional analysis as part of the business case. The Pay Modernization Project team also initiated discussions with other key stakeholders to look at possible options to resolve the crisis in the federal government compensation community.
• Centralize pension services currently provided by compensation advisors in more than 100 departments and agencies to address the significant impact of retirement and resulting decline of compensation expertise.	• Pension centralization is progressing and the delivery within PWGSC is consolidating. The Division of Pension Benefits and Pension Transfers has been centralized and in 2007-2008 retirement planning information sessions were completed. The level of client satisfaction for these services has increased from 66% to an average of 79%.
Consulting, Information and Shared Services	
• Collaborate with the Treasury Board Secretariat (TBS) on the development of a revised Communications Policy and Directives and Government Security Policy.	• Clarified roles and responsibilities related to advertising, public opinion research, publishing, and exhibitions for inclusion in the revised government Communications Policy and Directives. Introduced amendments encouraging use of ethnic and non-traditional media in advertising. Also clarified roles and responsibilities for the Industrial Security Program in the development of the revised Government Security Policy.
• Industrial Security Sector (ISS) to implement a secure on-line inquiry service for private sector and departmental clients to verify the status of their personnel security clearance requests held in the ISS database.	• The on-line inquiry service was released in October 2007. By March 31, 2008, nearly 3,000 new users from industry and government had performed over 32,000 searches to immediately confirm the status of personnel security clearances.
• ISS to participate in the Royal Canadian Mounted Police (RCMP) Real Time Identification (RTID) initiative.	• ISS continued to improve the security clearance process by preparing for the implementation of the RCMP Real Time Identification initiative. Upon activation, the system will enable the electronic transmission of fingerprints directly to the RCMP, thereby significantly reducing security clearance turnaround times.
• Implement an action plan to integrate the electronic advertising information system with the production of the Annual Report on Government of Canada Advertising Activities.	• Upgraded the Advertising Management Information System (AdMIS). The upgrades improved accuracy and timeliness of expenditure reporting. This provided departments with the ability to monitor their expenditures and provide accurate year-end data in support of the Annual Report on Advertising Activities.

2007-2008 Summary – Planned and Actual Results

Key Planned Results	Actual Performance Results
• Assist in developing standards and benchmarks on survey quality by Public Opinion Research and Advertising Coordination's newly established advisory panel.	• In addition to previous work on telephone survey quality, established an advisory panel to assist in developing standards and benchmarks for on-line research. The panel produced recommendations on new on-line survey standards for Government of Canada surveys. These standards will be incorporated into renewed contracting tools planned for 2008-2009.
Audit Services Canada • Continue to work with the Office of the Comptroller General (OCG) to strengthen the internal audit capacity of government. • Develop a communications strategy with our clients to ensure awareness of our services, strengths and value proposition, as well as improve relations with our staff from coast to coast to promote organizational cohesiveness.	• $3 million Memorandum of Understanding with the OCG to assist with the Management Accountability Framework (MAF) Round 5 and OCG Horizontal Audits. • Strategy developed and implemented.
Translation Bureau • Begin the implementation phase of the debates captioning system in the House of Commons. • Represent Canada at major national and international language forums and on standardization networks and committees, such as the International Organization for Standardization (ISO). • Work with federal partners to strengthen career opportunities in the language professions, to attract more students and thus guarantee security of supply in the long term. • Special attention will be given to recruitment and training of translators in specialized areas or those areas experiencing critical shortages.	• Since October 22, 2007, Francophones who are deaf or hard-of-hearing can follow live broadcasts of Question Period in the House of Commons thanks to a voice recognition closed captioning system. • We added 12 new forums and national and international standardization committees, including ISO's new technical committee for the production of international and linguistic standards. • PWGSC has been actively promoting the language professions to young people at the college and upper secondary levels in those provinces whose universities offer language study programs. • Approximately one-third of the 100 or so recruits were assigned to scientific, technical or legal translation units, thereby reinforcing capacity in specialized areas and areas experiencing critical shortages.
Greening of Government Operations • Work with Treasury Board Secretariat (TBS) and our clients to develop policies and performance measures to green government operations. • Increase capacity to measure, monitor and report on government-wide environmental performance improvement. • Work with other departments, including Environment Canada and Natural Resources Canada, to develop a government-wide strategy for the environmentally sound management of electronic waste. • Develop the Sustainable Buildings Policy, and implement it by 2010, to achieve cost-effective environmental performance throughout the PWGSC portfolio by means of life-cycle analysis and environmental performance assessment tools.	• PWGSC has worked with TBS, Natural Resources Canada, Environment Canada and other federal departments to develop and bring forward a renewed policy framework for greening government operations aimed at clarifying accountabilities, and improving performance monitoring. • PWGSC initiated discussions on a government-wide performance measurement and reporting strategy that will be developed in consultation with TBS, Environment Canada, Natural Resources Canada and other federal departments. • Strategy development is ongoing. Context changes have necessitated development and assessment of new options. • Extensive research has been completed that will contribute to the development of this policy.

Note 1: PWGSC's planned results, identified in our 2007-2008 Report on Plans and Priorities, were all or mostly met during the reporting period. Section II provides further details.
Note 2: The full Detailed Table of Planned and Actual Results may be viewed on-line at http://www.pwgsc.gc.ca/reports/text/dpr_2007-2008/rpe-cpt-e.html.

DETAILED ANALYSIS OF PROGRAM ACTIVITIES

Introduction

This section reports on PWGSC's performance results against our 2007-2008 Report on Plans and Priorities (RPP). It reflects the 2007-2008 Treasury Board-approved Program Activity Architecture (PAA), covering our program activities under two strategic outcomes - Quality Services, and Sound Stewardship.

Unlike the structure of our reporting of program activities in the 2007-2008 RPP, this section is now organized directly by strategic outcomes and program activities, with 16 program activities supporting Quality Services and 10 program activities supporting Sound Stewardship.

The chart below outlines our strategic outcomes of Quality Services and Sound Stewardship, and their related program activities.

PWGSC - 2007-2008 Program Activity Architecture

Quality Services **Departments and agencies benefit from a range of efficient government-wide central services.**	**Sound Stewardship** **Canadians benefit from the application of sound stewardship and oversight in the provision of government-wide central services.**
(16 Program Activities) 1. Federal Accommodation and Holdings 2. Real Property Services Revolving Fund 3. Real Property Disposition Revolving Fund 4. Acquisition Services 5. Optional Services Revolving Fund 6. Defence Production Revolving Fund 7. IM/IT Services 8. Telecommunications Services Revolving Fund 9. Receiver General Services 10. Public Service Compensation Services 11. Government Information Services 12. Consulting and Audit Canada Revolving Fund 13. Business Integration Services 14. Translation and Interpretation to Parliament, Conference Interpretation, Terminology 15. Translation Bureau Revolving Fund 16. Greening Government Operations Services	*(10 Program Activities)* 1. Real Property Stewardship 2. Supply Operations Stewardship 3. IM/IT Stewardship 4. Receiver General Stewardship 5. Public Service Pay Stewardship 6. Public Service Pension Stewardship 7. Government Information Stewardship 8. Business Integration – Performance Management 9. Translation Stewardship 10. Greening Government Operations Stewardship

Note 1: For details of the PWGSC 2007-2008 Program Activity Architecture (PAA), including sub-activities, see http://www.tpsgc-pwgsc.gc.ca/reports/.
Note 2: The Corporate Management Program Activity is on-line and may be found at http://www.tpsgc-pwgsc.gc.ca/reports/. Following a re-organization in May 2007, the Business Integration Client Relations Management Program Activity was eliminated.

QUALITY SERVICES

This section highlights our Quality Services' program activities and results achieved during 2007-2008.

In 2007-2008, our efforts to transform program delivery in all areas of our business were focused on centralizing services, taking advantage of economies of scale, improving efficiencies and increasing effectiveness for the benefit of clients and Canadians.

In this section, we report on performance results related to our Quality Services Strategic Outcome organized by the following 16 program activities:

1. Federal Accommodation and Holdings
2. Real Property Services Revolving Fund
3. Real Property Disposition Revolving Fund
4. Acquisition Services
5. Optional Services Revolving Fund
6. Defence Production Revolving Fund
7. IM/IT Services
8. Telecommunications Services Revolving Fund
9. Receiver General Services
10. Public Service Compensation Services
11. Government Information Services
12. Consulting and Audit Canada Revolving Fund
13. Business Integration Services
14. Translation and Interpretation to Parliament, Conference Interpretation, Terminology
15. Translation Bureau Revolving Fund
16. Greening Government Operations Services

1. FEDERAL ACCOMMODATION AND HOLDINGS

Program Description

Effective management of real property investment, under the custodianship of PWGSC, in support of the delivery of government programs.

Expected Results

Government departments and agencies have safe, healthy, productive and affordable work environments and facilities that enable them to deliver programs and services. The real property portfolio is managed as an investment on behalf of the taxpayers.

Actual Results

PWGSC serves Canadians by providing quality accommodation to federal civil servants in our client departments and agencies who, in turn, provide programs and services directly to Canadians, in Canada and throughout the world. Our services include maintenance of Crown-owned buildings, lease payments for rentals and lease-purchase arrangements, the 25-year plan for the renovation of the Parliamentary Precinct, the promotion of environmental sustainability in the design and construction of new buildings, such as the Jean Canfield Building in Charlottetown, as well as payments in lieu of taxes to local taxing authorities.

PWGSC provides an important federal presence and contributes to the economic prosperity of hundreds of communities in every province and territory of Canada. In 2007-2008, PWGSC provided accommodation for 241,000 federal public servants in more than 1,800 locations across Canada: 128,500 in the National Capital Area, 20,000 in the Atlantic Region, 22,000 in Quebec, 29,000 in Ontario, 23,500 in the Western Region, and 18,000 in the Pacific Region. Accommodation was provided at 357 Crown-owned locations, 1,443 leased locations and 10

lease-purchase locations. As well, we carried out 13 renovation projects, on budget, at the Parliamentary Precinct.

Last year, we adopted a risk-based approach to real estate investment to meet our efficiency commitments and to address portfolio recapitalization. We also implemented risk-based investment decision tools. Furthermore, we sold seven major office buildings to the private sector for $1.41 billion with subsequent leasebacks for 25-year terms[1]. An independent real property investment expert validated this approach as ensuring fair value for the Crown.

Canadian taxpayers benefited from this transaction, as the government can now have certainty of value from the sale in a vendor's market; certainty and predictability of cash flows over the next 25 years; reduction in the cost of accommodation; and reduction in the Crown's exposure to risks on its real property portfolio. This directly contributes to both our expected results and our strategic outcome of quality services.

We are undertaking a Business and Systems Transformation Project, putting in place state-of-the-art business processes and information management solutions to ensure completeness and accuracy of our operational and financial information. This project strengthens decision-making by providing senior management with more comprehensive information.

We achieved $160 million, 94% of our 2007-2008 annual savings goal of $170 million. This represents $142 million of efficiencies within PWGSC and $18 million attributable to organizations that reimburse PWGSC for services. As a result, we have achieved 77% of our five-year targets in just over three years ($792 million of $1.025 billion). New cost savings strategies, to be implemented in 2008-2009, should result in additional savings for future years.

We revised the Long-Term Vision and Plan (LTVP) for the Parliamentary Precinct. It now provides an effective implementation strategy for rehabilitating these heritage buildings, providing additional parliamentary accommodation and creating a secure and welcoming environment for parliamentarians, staff, visitors and tourists. These actions will support parliamentarians and their staff and the many Canadians who visit their nation's capital. The revised LTVP consist of five-year program cycles that are more responsive to changing market and building conditions. For more details see Table 9 in Section III or visit our website at: http://www.pwgsc.gc.ca/reports/text/dpr_2007-2008/rpc-cpt-e.html.

In order to protect Canadians and the environment, we worked to promote and raise the quality of sustainable development practices in government operations. Our activities included energy reduction for existing buildings and the construction of sustainable new buildings. In 2007, the Greenstone Building in Yellowknife was awarded the Canada Green Building Council's Leadership in Energy and Environmental Design (LEED®- Canada) Gold certification.

In response to a recommendation of the Auditor General, we tracked all significant leases before the Real Property Investment Board (RPIB). For all the projects presented to the RPIB, the most cost-effective accommodation option was adopted, thus ensuring quality and value-for-money for the Canadian taxpayer.

Through our Payments in Lieu of Taxes (PILT) program, we contribute toward the costs of local

[1] Originally, nine buildings were to be sold, however, two Vancouver buildings were removed from the sale when, on September 28, 2007, the Musqueam Indian Band was granted an interlocutory injunction with judicial review.

government in communities where federal property is located. In 2007-2008, we distributed $456.7 million to 1,274 property taxing authorities, such as municipalities, provinces, school boards, local services boards and First Nations. Although discretionary, these payments provide fair compensation for valuable direct and indirect services the Government of Canada receives from local governments. More information can be found at http://www.tpsgc-pwgsc.gc.ca/pilt/text/index-e.html.

Lessons Learned and Opportunities

During 2007-2008, we assessed our National Project Management System (NPMS), which was introduced to consistently manage real property projects on time, on budget and on scope. The assessment indicates that the NPMS is resulting in improved performance, both for individual projects as well as for project management practices and capacity. Nine projects over $30 million have been initiated since the introduction of the NPMS and none have required Treasury Board submissions for revised approvals. In contrast, 13 of the 32 projects, initiated prior to the introduction of NPMS, have required approval revisions.

To address the need for improved data entry (incomplete performance data was provided in 11-13% of projects surveyed), we are assessing different data collection and measuring tools, including SIGMA, to improve performance reporting.

We are standardizing our performance measurement terminology (e.g. 'no impact', 'minor changes', and 'change with a significant impact') to ensure quality assurance and consistency in performance reporting. A new methodology was implemented for projects 'On Scope' only. The other indicators, 'On Time' and 'On Budget', were ranked on a yes/no basis.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating (including Special Purpose Allotment), Capital and Statutory Votes			
Gross Expenditures	2,592.9	*2,428.5*	**2,277.4**
Less: Respendable Revenues	286.8	*756.4*	**756.4**
Net Expenditures[(Note 1)]	2,306.1	*1,672.1*	**1,521.0**
Federal Accommodation and Holdings - Full Time Equivalents (FTEs)	2,402	*2,274*	**2,275**

Note 1: The variance between authorities and actual spending is due to the uncontrollable and unpredictable nature of real property activities that impact the delivery of projects such as: market fluctuation driving the price of commodities; weather conditions impacting the consumption of utilities and the delivery of some projects; delays in the delivery of several repair and Sustainable Development Strategy projects; reduction of rental payments resulting from lease negotiations and also, reduction in Payments In Lieu of Taxes due to revised valuation. It is also attributable to capital projects that could not be implemented according to schedule because of contractor delays, or contractor delivery issues.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Government departments and agencies have safe, healthy, productive and affordable work environments and facilities that enable them to deliver programs and services. The real property portfolio is managed as an investment on behalf of the taxpayers.	Accommodation usage (m^2 per FTE; cost per m^2; and cost per FTE). Achieve savings by reducing accommodation usage (m^2 per FTE).	*Space per FTE*: reduced to 19.6m^2 from 19.8m^2. The target of 18 is progressive. We anticipate achieving it in March 2011. We implemented a national process to ensure that occupancy instruments comply with the Framework for Office Accommodation and Accommodation Services. *Cost per m^2*: $273, with two-year average cost increase of 1.7%. *Cost per FTE*: $5,363, with two-year average cost increase of 1.5%.
	Operating cost trends analysis. Achieve savings by reducing operating costs.	Operating costs were 21.1% lower than that of the Building Owners and Managers Association (BOMA) average.
	Vacancy rate compared with industry.	The national average vacancy rate for Office Crown Owned buildings in 2007-2008 was 5.2% compared to the BOMA vacancy rate for the Canadian private sector of 4.2%. The three-year average vacancy rate for crown-owned properties is 4.1% compared to the private sector rate of 6.1%.
	Progress against Sustainable Development Strategy (SDS) targets nationally.	100% of existing Crown-owned office buildings assessed under BOMA Go Green Plus (101 buildings assessed). 41% of the 65% target of active contaminated sites "remediation complete" or "assessed, no action required" (Target date: March 2009)

2. REAL PROPERTY SERVICES REVOLVING FUND

Program Description

The provision on a fee-for-service basis of optional real property services to other custodial departments, and to other departments and agencies requesting services over and above those provided under the Federal Accommodation and Holdings Service Line program.

Expected Results

Quality, affordable services are provided to government departments and agencies. Revenues will cover the full cost of service delivery.

Actual Results

We provide optional real property services on a fee-for-service basis in such areas as: architectural design, engineering, interior design and office lay-out. A portion of the work is contracted to third-parties. In keeping with our strategic outcome, we provide quality services and demand the same standards from our third-party contractors. By working in partnership with the real property industry, PWGSC benefits from private sector expertise while maintaining full accountability for standards and performance, thus achieving the best possible results for Canadian taxpayers.

In 2007-2008, the revolving fund achieved revenues of $1,036.2 million, which was an increase of 5.2% over the previous year. We achieved full cost-recovery. Of projects valued at over $1 million, 97% were delivered on time, while 90% were within budget. For more detailed information on this revolving fund, the full audited financial statement may be seen on-line at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

We fulfilled a key commitment by eliminating the Real Property Services Revolving Fund (RPSRF) deficit. The amount spent in the private sector for

every dollar of public sector salary spent on projects increased from $6 to more than $10. In addition, an internal audit found that there are adequate controls over the fund to ensure it does not exceed its Drawdown Authority limit.

Lessons Learned and Opportunities

In 2007-2008, PWGSC fulfilled a key milestone in eliminating the deficit in our Real Property Services Revolving Fund. Application of our new Business Management model helped set and monitor targets, increase the use of Alternative Forms of Delivery, standing offers and other contracting vehicles, and implement management tools without compromising service quality. We will follow the evolution of this model and its contribution to our planned results and quality services for Canadians.

Over 90% of projects over $1 million met time, budget and scope objectives. We are improving our project management practices by making greater use of checklists, templates and guidelines to improve our performance measurement and reporting.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Statutory Votes			
Gross Expenditures	892.3	*892.3*	**1,035.7**
Less: Respendable Revenues	892.3	*892.3*	**1,036.2**
Net Resources (Provided) Used (Note 1)	-	-	**(0.5)**
Real Property Services Revolving Fund - Full Time Equivalents (FTEs)	1,261	*1,041*	**1,012**

Note 1: Offsetting variances observed for both Gross Expenditures and Respendable Revenues are the consequence Business Volume Changes linked to disbursements made on behalf of clients.
Note 2: The amounts reported for the Real Property Services Revolving Fund are on a modified cash basis.
Note 3: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Quality, affordable services are provided to government departments and agencies. Revenues will cover the full cost of service delivery.	Recoveries as a percentage of cost (target is 100%).	100.7%
	Percentage of Real Property projects* over $1 million completed (on time, on budget and within scope). *Includes only non-operational projects having a significant construction-related component.	Real Property has greatly improved our project delivery – 97% of client projects over $1 million were completed on time, while 90% of projects were on budget and on scope.

3. REAL PROPERTY DISPOSITION REVOLVING FUND

Program Description

The provision, on a cost-recovery basis, of routine disposals of real property assets no longer required in order to generate revenue for the Crown.

Expected Results

Realization of value (net proceeds of sale) from surplus properties.

Actual Results

The Real Property Disposition Revolving Fund (RPDRF) enabled us to complete 211 disposals. Proceeds from these sales were $11.2 million. The actual net revenue generated was $8.7 million, compared to an original estimate of $8 million. We more than met our expected results by having realized value from surplus properties. For more detailed information on this revolving fund, the full

audited financial statement may be seen on-line at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Lessons Learned and Opportunities

Given changes in the business environment and the nature of the assets the Crown is considering for disposal, a viability review will be carried out during the summer of 2008 to determine if the fund should be renewed with modifications or terminated.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Statutory Votes			
Gross Expenditures	4.0	*4.0*	**2.5**
Less: Respendable Revenues	12.0	*12.0*	**11.2**
Net Resources (Provided) Used [Note 1]	(8.0)	*(8.0)*	**(8.7)**
Real Property Disposition Revolving Fund - Full Time Equivalents (FTEs)	-	-	-

Note 1: The variance between the Real Property Disposition Revolving Fund authorities and actual spending is mainly due to lower than expected disbursements required for the disposal of the properties, the nature of the real estate environment being uncertain and unpredictable prior to the disposals.
Note 2: The amounts reported for the Real Property Disposition Revolving Fund are on a modified cash basis.
Note 3: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Realization of value (net proceeds of sale) from surplus properties.	Return on disposals: Proceeds of sales divided by expenditures (e.g., fees, disbursements and investments).	For total sale proceeds of $11.2 million, $2.0 million was spent to improve the marketability of the properties that were sold. The result is that for every dollar spent, $5.55 in revenue was generated.

4. ACQUISITION SERVICES

Program Description

Through the Acquisition Services program, PWGSC: acquires goods and services on behalf of the federal government; manages the supply process by assisting clients with the requirements definition, bid solicitation and evaluation, contract negotiation and administration; manages all procurement-related aspects of major projects (over $100 million); carries out PWGSC acquisition activities across Canada in regional offices; and maintains offices in the United States and Europe principally to serve the needs of the military.

Expected Results

Timely and cost-efficient acquisitions services are provided to other government departments and agencies with enhanced service levels.

Actual Results

In 2007-2008, PWGSC purchased over $12 billion in goods and services with approximately 60,000 procurement-related transactions. This represents a significant achievement in our quality services strategic outcome and an injection of more than $1 billion per month into the Canadian economy. Furthermore, we decreased our expenditures to $164.7 million, a decline of 2.8% from the previous year.

In 2007-2008, commodity management reviews for commonly procured goods and services continued to result in the redesign and implementation of procurement instruments through stronger consultations with both clients and suppliers, as well as consideration of process efficiencies, economies of scale, green procurement criteria and impacts on small and medium enterprises. A total of 50 consolidated procurement instruments addressing $2.7 billion in government-wide spending have been issued since 2005-2006. Our quality services strategic outcome was advanced by providing our clients with reliable data on their expenditures.

Our implementation of the Shared Travel Services Initiative was also a successful highlight of 2007-2008. This initiative offers government employees tools such as on-line booking to bring down their travel costs through bulk buying. These investments in technology are critical in reducing government's costs of doing business and in providing value for Canadian taxpayers. It is estimated that, compared to non-automated solutions, in 2007-2008 the users of STSI accrued average savings of 3% for accommodation services and 4% for car rental services.

We also put special emphasis on making military procurement more efficient. In support of the "Canada First" Defence Strategy, greater inter-departmental cooperation has resulted in a significant reduction of procurement time. Such improvements made it possible for the Department of National Defence to take early delivery of 17 new tactical aircraft and four strategic aircraft to transport personnel and cargo. In this way, more rapid service delivery in procurement has directly supported Canada's efforts in Afghanistan.

Lessons Learned and Opportunities

In order to strengthen the quality of our services and deliver on our strategic outcomes, we need to continue to build stronger relationships with our clients and suppliers. Some measures already put into practice include co-locating project teams, procuring off-the-shelf equipment and technologies as much as possible, bundling contracts, and employing high-level performance requirements, as opposed to detailed technical specifications. These measures and opportunities over time, will advance procurement value for Canadians, and improve our service delivery.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	193.4	*244.0*	**247.1**
Less: Respendable Revenues	42.4	*82.4*	**82.4**
Net Expenditures	151.0	*161.6*	**164.7**
Acquisition Services - Full Time Equivalents (FTEs)[Note 2]	1,788	*1,758*	**1,932**

Note 1: The variance between the total authorities and actual represents expenditures (Government of Canada Market Place $9.7 million and Reprographic Licence $2.6 million) for which the authorities are reflected in Acquisition Stewardship. In applying the adjustment the new variance would reflect lower than anticipated expenditures.
Note 2: The Full Time Equivalent variance is generated by increases not reflected in the total authorities.
Note 3: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Timely and cost-efficient acquisitions services are provided to other government departments and agencies with enhanced service levels.	Percentage reduction in cost of goods and services.	As of March 31st, 2008, the estimated cost reduction for awarded Consolidated Procurement Instruments was 7-8%.
	Percentage reduction in time for procurement transaction.	In 2007-2008, the number of working days for competitive goods contracts ($25,000 - $10 million) was reduced to 72 days from 80 days. Our ultimate target for 2009-2010 is 61.2 days. The overall objective is to reduce throughput time by 10% from the 2006-2007 baseline and to achieve this reduction by 2009-2010.
	Percentage reduction in cost of government purchasing.	In 2007-2008 the cost of awarding $100 of contract value was $1.74. Our ultimate target for 2010-2011 is $1.64. The overall objective is to reduce the administrative cost by 10% from the 2005-2006 baseline by 2010-2011 (5-year target).
	Percentage of client departments satisfied with PWGSC services.	The Acquisitions Branch is developing an internal client satisfaction survey to be conducted in 2008-2009. An Action Plan to address the results will be developed by March 31, 2009.

5. OPTIONAL SERVICES REVOLVING FUND

Program Description

This fund provides specialized services to client departments, such as marine inspection and technical services, management of seized property, travel management, consensus standards and conformity assessment services. Procurement of vaccines and drugs on behalf of provinces and territories.

Expected Results

Quality, affordable services are provided to government departments and agencies. Revenues offset the full cost of service delivery.

Actual Results

PWGSC's Optional Services Revolving Fund achieved revenues of $104.8 million providing specialized services to client departments on a cost-recovery basis. This is an increase of 10% over the previous year. We exceeded our full cost-recovery goal with revenues at 103% of costs. For more detailed information on this revolving fund, the full audited financial statement may be seen on-line at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Highlights of results achieved in 2007-2008 include: 1,429 standing offers issued to hotels offering 30-day or less accommodation in Canada, the United States and worldwide; and 12 standing offers to companies offering car rental service in Canada and the United States. By negotiating these rates at a significant discount from market rates, we benefited Canadians by creating significant savings.

We awarded two long-term contracts for the purchase of pertussis-containing vaccines through the Federal, Provincial and Territorial program for the bulk purchasing of drugs and vaccines. Savings to the various levels of government, and therefore, Canadians will exceed $82 million over the full period of these contracts.

PWGSC provides federal departments and agencies with all mandatory and optional procurement services related to communications in the areas of: printing, writing, editing, communications planning, expositions, exhibits, event management, media monitoring, advertising, public opinion research and audio visual services. In 2007-2008, approximately 1,600 contracts and 170 standing offers and supply arrangements

were established for these services. These figures represent a significant contribution to the Canadian economy.

Lessons Learned and Opportunities

We have realized that sound program management and high-quality services must be combined with regular dialogue, consultations, and solicitations of feedback from our stakeholders. These efforts are underway and are critical for program improvement and to ensure the continued success of this program activity.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Statutory Votes			
Gross Expenditures	100.4	*100.4*	**101.5**
Less: Respendable Revenues	100.4	*100.4*	**104.8**
Net Resources (Provided) Used [Note1]	-	-	**(3.3)**
Optional Services Revolving Fund - Full Time Equivalents (FTEs)	44	*44*	**44**

Note 1: The Optional Services Revolving Fund variance between the authorities and actual spending is due to higher than anticipated airline commissions in the Traffic Management Program.
Note 2: The amounts reported for the Optional Services Revolving Fund are on a modified cash basis.
Note 3: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Quality, affordable services are provided to government departments and agencies. Revenues offset the full cost of service delivery.	Recoveries as a percentage of cost.	Overall, recoveries covered 100% of cost.

6. DEFENCE PRODUCTION REVOLVING FUND

Program Description

Legacy fund presently unused. Maintained to provide acquisition services of military supplies in the event of emergency.

Expected Results

Funding of defence acquisition emergencies on a cost-recovery basis.

Actual Results

This fund is presently unused and is only maintained to provide acquisition services of military supplies in the event of an emergency.

The Defence Production Revolving Fund, established in 1951 by Section 15 of the *Defence Production Act*, was developed for three key purposes: to finance the stockpiling of defence supplies or strategic material; to make loans or advances to aid in defence procurement; and to permit initial payments for defence supplies, which can be promptly billed to a government department, agency or an associated government in advance of delivery of goods. The Fund and the Defence Production Loan Account have a continuing non-lapsing authority from the *Adjustment of Accounts Act* to make payments out of the Consolidated Revenue Fund, of which the total of these two accounts is not to exceed $100 million at any time.

For more detailed information on this revolving fund, the full audited financial statement may be seen on-line at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	Total Authorities	Actual
Statutory Votes			
Gross Expenditures	-	-	-
Less: Respendable Revenues	-	-	-
Net Resources (Provided) Used	-	-	-
Defence Production Revolving Fund - Full Time Equivalents (FTEs)	-	-	-
Note 1: No financial activity occurred in 2007-2008.			

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Funding of defence acquisition emergencies on a cost-recovery basis.	Recoveries as a percentage of cost.	Not used.

7. IM/IT SERVICES

Program Description

IM/IT services provide information management and information technology-based solutions to the Government of Canada. It also provides infrastructure, design, and leadership to major government-wide service projects.

Expected Results

Shared services and systems used by Government of Canada clients.

Actual Results

In 2007-2008, PWGSC IT Infrastructure Services were provided to 125 government departments and agencies on an optional, cost recovery basis. These services included Telecommunications and Networks, Data Centres, Computing and Desktops, and IT Security. Telecommunications and Networks services are provided through our Telecommunications Services Revolving Fund, while the remainder are provided through vote netted transfers.

The operational performance was of the highest level with no significant operational incidents. Process improvements were made in all areas, most notably in governance, portfolio management, business process modeling, product maturity and alignment and Human Resource integrated planning. The Treasury Board Secretariat (TBS) rated PWGSC IT Services at the highest level in its annual Management Accountability Framework (MAF) assessment.

We also provided benefit and value to Canadians and businesses with more than four million on-line credentials to access government services through the Secure Channel. We spent $214.7 million, which represents a decrease of 17% from the previous year, while increasing productivity and improving the quality of the IM/IT services we provide.

We set the stage for further improvements by pursuing the IT shared services model for large-scale service transformation. In 2007-2008, Treasury Board approved a proof of concept project for IT shared services so that we could validate our capacity and prepare PWGSC for large scale growth in IT shared services supporting federal departments and agencies. This will enable us to begin service transformation improvements in order to achieve the associated

cost reductions. In 2007-2008, federal organizations, including the Canada School of Public Service, Health Canada, Parks Canada, the Privy Council Office and Veteran Affairs, took part in the project, by transitioning IT services to PWGSC. The proof of concept has now been completed and a report will be finalized in 2008.

In an effort to enhance the quality of our services, we also continued with plans to standardize desktop configurations and associated management practices in order to save energy, duplication, and costs. We conducted a record and document management pilot project with Human Resources and Social Development Canada, which will enhance the development of shared IM services to help departments manage their information holdings.

In 2007-2008, PWGSC obtained Letters of Intent with 5 departments (CRA, DFAIT, TBS, Finance, DND) to partner in Data Centre Consolidation.

Significant cost savings can be achieved as a result of the reduced number of data centre facilities. Other benefits include reduction in overall power consumption and improved greening of government operations.

Taken together this work is positioning PWGSC to identify and make the necessary changes to better serve Canadians and government through more strategic use of the efficiencies and effectiveness available through IM/IT.

Lessons Learned and Opportunities

The IT Shared Services initiative continues to advance to eventually achieve benefits to the government. The experience with implementing the initiative has provided a better understanding of the change management imperatives in areas such as governance, financial tools and human resources tools. The 2004 IT Shared Services Business Case will be updated in 2008-2009 to reflect lessons learned.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating, Capital and Statutory Votes			
Gross Expenditures	394.5	*466.7*	464.4
Less: Respendable Revenues	212.5	*249.6*	249.6
Net Expenditures[Note 1]	182.0	*217.1*	214.7
IM/IT Services - Full Time Equivalents (FTEs)	1,610	*1,724*	1,729

Note 1: The positive variance between the total authorities and the actual expenditures is mainly due to the Corporate Management allocation. Prior to this allocation, this Program Activity had incurred costs that had not been fully recovered.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Shared services and systems used by Government of Canada clients.	Service-level agreement commitments met.	Met 100% of service-level agreement commitments.
	Percentage increase in the number of IT shared services that are purchased through a catalogue.	The catalogue has been re-aligned to provide for the planned integration with automated service ordering systems. Services purchased by clients are included in the catalogue.

8. TELECOMMUNICATIONS SERVICES REVOLVING FUND

Program Description

Telecommunications services provide network and infrastructure services; voice telecommunications services; satellite services; and managed services. This activity is the only one currently managed through a fully compensatory client-paid Revolving Fund.

Expected Results

Competitively priced and innovative business solutions provided to departments and agencies, leading to Government of Canada cost savings.

Actual Results

In 2007-2008, PWGSC delivered IT Infrastructure Services including Data Centres, Computing and Desktops and IT security as well as a host of Telecommunications and Networks infrastructure and management services providing telephone, teleconferencing, long-distance and wireless voice services and a variety of fixed and mobile satellite services to approximately 241,000 federal employees. The Services provided under the Telecommunications Services Revolving Fund are a subcomponent of the IM/IT Services.

We worked with many industry service providers to offer the most appropriate technology solutions, with the best possible services, at the lowest available rates. Our services were provided on a full cost-recovery basis. In 2007-2008, our revenues were $196.6 million, which represents an increased uptake of shared services of 16.9% over the previous year. The revolving fund achieved its full cost-recovery target. For more detailed information on this revolving fund, the full audited financial statement may be seen on-line at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Considerable work was completed to develop new mobile satellite services, and manage cable plant services and wireless data services. Local Access Service across government grew by 3.6% to 320,000 telephone lines. Government-wide mobile wireless solutions were optimized and led to 50% savings per mobile device (cell phones and blackberries). Additionally, there were more than 2,200 mobile satellite terminals spread across 30 government departments in service using MSAT and Globalstar-based mobile satellite services.

Migration to converged network services solutions continued, with 47 departments currently using these more cost-effective managed services. This is more than double the number of departments from the last year. Also, the use of the Government of Canada-wide Network Equipment Support Services increased its transactions value by 35% across 60 departments and agencies, up from 50 departments and agencies from the previous year. At the same time, PWGSC is working with Human Resources and Social Development Canada/Service Canada to pilot the Government Enterprise Network Services. These initiatives represent our efforts directed at providing competitively priced and innovative business solutions that build quality services for government, and ultimately, Canadians.

Lessons Learned and Opportunities

The results achieved in this program activity will create many future opportunities for PWGSC to continue with the process of service improvement and cost reduction. We have to remain diligent to capitalize on these opportunities that will ultimately benefit all Canadians.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	Total Authorities	Actual
Statutory Votes			
Gross Expenditures	134.3	*134.3*	**195.9**
Less: Respendable Revenues	134.3	*134.3*	**196.6**
Net Resources (Provided) Used (Note1)	-	-	**(0.7)**
Telecommunications Services Revolving Fund - Full Time Equivalents (FTEs)	194	*216*	**216**

Note 1: The variance between the authorities and the actual expenditures is mostly due to higher than anticipated year-end crosscharges to the Telecommunications and Informatics Common Services Revolving Fund as well as to expenditures related to Networking Equipment Support Services (NESS).
Note 2: The amounts reported for the Telecommunications Services Revolving Fund are on a modified cash basis.
Note 3: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Competitively priced and innovative business solutions provided to departments and agencies, leading to Government of Canada cost savings.	External audit continues to reflect high management standards. Other performance indicators are being developed for the expected result and will be included in future years.	An external audit completed on May 30, 2008 verified that the financial statements comply with the Treasury Board policy on Special Revenue Spending Authorities and present fairly the financial position of the fund.

9. RECEIVER GENERAL SERVICES

Program Description

Maintains operations for the Departmental Financial Management System (DFMS). Provides optional document-imaging services for departments. Provides optional payment-related printing such as tax information statements and pay statements.

Expected Results

Receiver General Services are timely, efficient and delivered within defined service standards. Business development based on leveraging of growing imaging expertise.

Actual Results

Receiver General Services continued to provide high quality services in 2007-2008. We offered an optional departmental financial management system and payment-related printing services.

We expanded our existing optional services related to document-imaging and automated data capture. We conducted two pilot projects for Service Canada on document-imaging for Income Security Programs and Employment Insurance Programs that allowed us to improve our overall imaging solution, while providing a foundation for future document service offerings. We also developed Memoranda of Understanding for all of our clients, using the Common Departmental Financial System and produced optional payment-related printing for pay statements and tax information statements on time. Both of these services met established service standards, and all of the commitments under our service level agreements. In the case of the financial management system, no major systems issues were experienced, which could have negative impacts on the financial operations of our client departments.

Lessons Learned and Opportunities

To maintain the quality of our document-imaging offerings to client departments, we need to continue to standardize our document-imaging services. This will ensure reliability and efficiency for the benefit of client departments. It will also permit leveraging the information technology support available within PWGSC.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment) and Statutory Votes			
Gross Expenditures	10.9	*11.0*	**10.2**
Less: Respendable Revenues	2.2	*2.4*	**2.4**
Net Expenditures[Note 1]	8.7	*8.6*	**7.8**
Receiver General Services - Full Time Equivalents (FTEs)	51	*77*	**77**

Note 1: The variance between the authorities and actual spending is mainly due to staffing delays and less than expected Professional Services fees. Other factors such as Corporate Management allocation explain the remaining portion of the variance.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Receiver General Services are timely, efficient and delivered within defined service standards.	Departmental Financial Management System: Percentage of system availability of monthly prime-time hours.	The target of 99% was met.
	Departmental Financial Management System: Percentage of transactions with average response times under 5 seconds.	The target of 95% was met.
Business development based on leveraging of growing imaging expertise.	Document Imaging: Percentage of items released according to schedule.	100% of items were released according to schedule.
	Document Imaging: Maintaining level of service as per Memoranda of Understanding with departments.	Level of service for two clients was satisfactory. We had difficulty meeting two important service levels (response time and quality of images) for our third client, however, a series of improvements brought the delivery of the service to an agreed upon level with the client for the pilot project.

10. PUBLIC SERVICE COMPENSATION SERVICES

Program Description

Administration of payroll, pension and health/disability insurance processes for public service employees and pensioners. Provision of pension services to the Department of National Defence.

Expected Results

Administration of pensions for Canadian Forces annuitants. Timely provision of communications to Public Service employees and pensioners via pay envelope inserts.

Actual Results

PWGSC provided payroll services to 22 separate agencies, three crown corporations and five other federal organizations. We also provide quality services in administering the pension accounts for more than 109,000 members of the Canadian Forces, for which approximately 1.31 million payments were made. In doing this we met or surpassed our expected results 99% of the time.

We conducted a feasibility study to assess the viability of the Government of Canada Pension Modernization Project (GCPMP) to the Royal

Canadian Mounted Police (RCMP) pension administration. The joint PWGSC-RCMP team conducted 47 business and technical workshops to identify and address the gaps between RCMP requirements and the GCPMP solution. In addition, the joint team developed a costing model for the application of the GCPMP solution. The RCMP is scheduled to move forward with their analysis and it is expected that a decision will be made in 2008-2009.

PWGSC also advised officials of the Department of National Defence about its readiness to proceed with a more detailed gap analysis review to determine substantive cost estimates by the fall of 2008.

Lessons Learned and Opportunities

While we are committed to providing quality compensation services to potential client departments, we have learned about the importance of balancing decisions of not customizing commercial-off-the-shelf software to accommodate their needs in comparison with the risk of losing them as future clients.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	4.7	*5.7*	**5.5**
Less: Respendable Revenues	2.9	*3.4*	**3.4**
Net Expenditures[Note 1]	1.8	*2.3*	**2.1**
Public Service Compensation - Full Time Equivalents (FTEs)	53	*58*	**58**

Note 1: The variance between the authorities and actual spending is mainly due to the Corporate Management allocation.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Administration of pensions for Canadian Forces annuitants.	Percentage of time pension actions processed within service-level standards.	Successfully processed pension actions for the members of the Canadian Forces Superannuation plan within service standards 99% of the time.
Timely provision of communications to public service employees and pensioners via pay envelope inserts.	Percentage of time inserts distributed in accordance with sponsor's requirement	Distributed pay and pension inserts on time in accordance with sponsor's requirements, meeting service standards 100% of the time.

11. GOVERNMENT INFORMATION SERVICES

Program Description

Management of key components of the Government of Canada's communications platform by providing various access channels, from face-to-face to on-line, to meet the diverse needs of Canadians for information on government policies, programs and services.[2]

Expected Results

The effective, cost-efficient provision of information about Government of Canada programs and services through the use of communications vehicles that are fairly and transparently obtained.

[2] PWGSC components include the *Canada Gazette*, Publishing and Depository Services, and Government of Canada Exhibitions Program. Other components of the communications platform are: 1 800 O Canada, www.canada.gc.ca, Publiservice, and Gateways and Clusters, which were transferred to Service Canada (HRSDC) in 2005.

Actual Results

In 2007-2008, PWGSC provided Canadians with access to Government of Canada centralized information on some policies, programs and services through a variety of channels.

The Government of Canada Exhibitions Program (GCEP) brings government information directly to Canadians, in the communities where they live. In 2007-2008, we secured stable ongoing funding for the program. This removed program uncertainty and will now enable long-term planning and resourcing.

A comprehensive outreach strategy to federal departments and agencies was developed to increase awareness of the GCEP. Consequently, the program saw a 21% increase in its database registrations. This enabled the identification of more event co-location opportunities. As a result, in 2007-2008, approximately 45 departments and agencies participated in 28 Canada Pavilion and Federal Presence exhibitions and events. This brought more government information to some 450,000 Canadians as part of a unified federal government presence.

We also implemented recommendations from a 2006 internal program evaluation. Initiatives included: enhancements to the GCEP database that improved reporting capability and event information; and elimination of duplication between the main GCEP program and the rural exhibits program.

More information on the GCEP is available at: http://www.tpsgc-pwgsc.gc.ca/ep/text/index-e.html.

Canadians are accessing more government publications on-line. The government's publications.gc.ca website provides Canadians with 24/7 access to more than 120,000 publication titles on-line. In 2007-2008, there were more than 7 million downloads of publications, representing an increase of 153% since 2004-2005.

In 2007-2008, an internal program evaluation confirmed that a centralized Publishing and Depository Services (PDS) program is the most efficient means of providing Canadians with easy access to Government of Canada publications.

During 2007-2008, PWGSC worked with federal organizations to increase their adoption of best practices for managing publications. We also worked to formalize our roles and responsibilities and those of nearly 800 partner libraries to improve publication retention, disposal and access.

We also took initiatives that support greening of government operations through increased use of web technology to reduce paper burden. For example, PDS undertook communications activities to promote greater use of e-mail notification services in lieu of traditional mail. As a result, by March 31, 2008, over 1,100 PDS clients were registered to receive e-mail publication notifications. This saves both postage and processing costs and allows customers to receive documentation without delay. We also implemented a new on-line application form for Crown Copyright and Licensing requests: (http://publications.gc.ca/helpAndInfo/cc-dac/crownis-e.html).

For more information on the PDS, please visit: http://publications.gc.ca/control/publicHomePage.

The *Canada Gazette*, the official newspaper of the Government of Canada, publishes new and proposed statutes and regulations, decisions of administrative boards and an assortment of government notices. The *Canada Gazette* was accessed by people in over 200 countries, with more than 6 million pages downloaded from the *Canada Gazette* website. More information on the *Canada Gazette* is available at: http://canadagazette.gc.ca/index-e.html.

Lessons Learned and Opportunities

We introduced our Canada Pavilion Exhibitors Feedback Report to gather exhibitor feedback. Our first report found that exhibiting departments would like to see greater prominence given to their departmental identities. As a result, we will consult with departments to develop Canada Pavilion concepts that balance the individual identities of departments with the unifying themes of the Government of Canada.

The 2006 evaluation of the Government of Canada Exhibitions Program (GCEP) included an analysis of supplier performance to help identify areas where we could improve the services to client departments and Canadians. In response, we are continuing to enhance the Exhibitions database and strengthen interdepartmental consultation mechanisms to facilitate departmental planning and program coordination.

With respect to our PDS program, rising demand and costs associated with free on-line publications, coupled with a significant reduction in sales of priced publications in recent years, have led to funding challenges. The 2007-2008 evaluation of PDS identified recommendations to improve program performance and address these challenges. Following these recommendations, we developed a management action plan. Under the plan, we will establish an expert roundtable to explore innovative approaches to program delivery, including opportunities to streamline processes and improve our business model to achieve financial sustainability.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	41.1	*19.0*	**20.3**
Less: Respendable Revenues	11.0	*5.8*	**5.8**
Net Expenditures (Note 1)	30.1	*13.2*	**14.5**
Government Information Services - Full Time Equivalents (FTEs)	198	*122*	**104**

Note 1: Consulting, Information and Shared Services Branch (CISSB) includes activities for Government Information Services and Stewardship, as well as Business Integration Services and Consulting Services. CISSB ended the year at almost breakeven (2.5% variance overall). The variance between the authorities and actual spending is mainly due to unadjusted authority transfers between Government Information Services and Business Integration Services.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
The effective, cost-efficient provision of information about Government of Canada programs and services using a variety of communications channels and services that are fairly and transparently obtained.	Number of catalogue numbers and ISBNs assigned.	Publishing and Depository Services assigned 5,488 catalogue numbers and ISBNs to Government of Canada publications. This represents an increase of 427 ISBNs over previous year (2006-2007)
	Number of government documents distributed to libraries/depository sites across Canada.	567,593 government documents were distributed through the Depository Services Program to a network of nearly 800 libraries in Canada and to another 147 institutions worldwide.
	Percentage of legislated publication dates met by the *Canada Gazette*.	As in previous years, the *Canada Gazette* continued to meet 100% of legislated publication dates in accordance with the *Statutory Instruments Act* and *Statutory Instruments Regulations*.
	Average cost per visitor at the Canada Pavilion and federal presence events.	Studies concluded that the average cost per visitor was $0.54 at Canada Pavilion (CP) events compared to $0.65 per visitor at a stand-alone booth.

12. CONSULTING AND AUDIT CANADA REVOLVING FUND

The Consulting and Audit Canada Revolving Fund is a program activity having two program sub-activities: consulting services, provided by PWGSC's Consulting, Information and Shared Services Branch; and audit services, provided by Audit Services Canada. Each program sub-activity is reported separately in this section of the report. For more detailed information on this revolving fund, the full audited financial statement may be seen on-line at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

CONSULTING SERVICES

Program Description

Specialized public sector management consulting services provided to federal departments and agencies and, on request, to provincial, territorial, municipal and Aboriginal governments in Canada and to foreign governments and international organizations. Services include confidential and sensitive assignments, preparation of government documents such as Treasury Board Submissions, Memoranda to Cabinet and Requests for Proposals, development of legislative and regulatory proposals, and advice and solutions from a public sector perspective.

Expected Results

Improved public service management and operations; high-quality and cost-effective professional consulting services; and a knowledgeable and sustainable work force.

Actual Results

In 2007-2008, we provided specialized public sector consulting services to other government departments and agencies on a full cost-recovery basis, generating revenues of $19.0 million. Approximately 60% of revenues came from projects that support priorities of the government and the Clerk of the Privy Council or horizontal initiatives. Our client survey reported that 92% of clients are satisfied with our services and noted that we had contributed to improvement of their management and operations, thus demonstrating the high quality of services we are providing to clients.

Following the dissolution of Consulting and Audit Canada, we developed a new business strategy. We conducted a client needs assessment that confirmed demand for existing and new services. Based on these consultations, we have refocused our services on management consulting that is best provided by public servants and that better aligns with government priorities. As well, we developed new information-gathering activities and communication materials. Our new business strategy will be implemented in 2008-2009.

We also initiated a Quality Assurance Program to further improve service quality and facilitate knowledge transfer to newly recruited consultants. The program includes initiatives to enhance consistency and efficiency by standardizing project methodologies and improving information management systems. Finally, to ensure financial viability, we strengthened our project oversight and sought ways to reduce overhead expenses. Together, these measures have led to reduced operating costs and increased revenues.

Lessons Learned and Opportunities

We continue to be challenged with building our internal capacity, due, in part, to intense competition in the labour market for skilled knowledge workers. In 2007-2008, recruitment targets were not fully met, requiring us to defer projects and, as a result, forego potential revenues. We will continue to implement our recruitment strategy, initiated in 2007-2008, to

reach the staffing targets that will enable us to meet client needs.

We will also complement our recruitment strategy by using contracted resources during demand peaks to ensure that our clients' needs are satisfied. We will continue to work with our Acquisitions Branch to develop new, more flexible procurement tools that will enable us to build our capacity more rapidly.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Statutory Votes			
Gross Expenditures	28.6	*28.6*	**19.0**
Less: Respendable Revenues	28.6	*28.7*	**19.0**
Net Resources (Provided) Used (Note1)	-	*(0.1)*	-
Consulting and Audit Canada Revolving Fund - Consulting Services - Full Time Equivalents (FTEs)	154	*154*	**139**

Note 1: The reduction in business volume is mainly attributable to a decrease of contract revenue due mainly to the withdrawal from flow-through contracting, coupled with 15 fewer Full Time Equivalents than planned. In accordance with the Policy on Special Revenue Spending Authorities, the Consulting and Audit Canada Revolving Fund received $879,000 from Consulting, Information and Shared Services Branch Vote 1 to cover the Consulting Services shortfall.
Note 2: The amounts reported for the Consulting and Audit Canada Revolving Fund are on a modified cash basis.
Note 3: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
• Improved public sector management and operations • High-quality professional services • Cost-effective delivery of services • Knowledgeable and sustainable workforce.	Percentage of clients indicating that Government Consulting Services (GCS) work contributed to improvements in the management and/or operation of their organization.	92% of clients reported that GCS services had contributed to improvement of management and operations.
	Percentage clients satisfied overall.	92% of clients were satisfied with services provided.
	Average training days per FTE.	Average number of training days was 5.87 per FTE.
	Net Revenue.	$19.0 million in respendable revenues; full cost recovery achieved.
	Average number of full-time work experience per FTE.	The average number of years in the public service for Government Consulting employees is 9.2.

AUDIT SERVICES CANADA

Program Description

Provide, on an optional and fee-for-service basis, audit services to federal departments and agencies and, on request, to provincial, territorial, municipal and Aboriginal governments in Canada and to foreign governments and international organizations.

Expected Results

- High-quality professional services.
- Knowledgeable and sustainable workforce.
- Improved internal audit capacity within the federal government while maintaining core resources to meet cost and contribution audit needs of public service managers.
- Cost-effective delivery of services.

Actual Results

PWGSC provides audit services to departments and agencies through Audit Services Canada (ASC), whose mission is to contribute to improving public sector management, accountability and

operations by providing assurance, audit and accounting services.

The results of our work demonstrate the government's ongoing commitment to be more accountable to Canadians. In 2007-2008, we provided audit services in highly visible court cases involving the Sponsorship program and a major contracting fraud. Our audit of the Sponsorship program, which supported the work of the Gomery Commission, assisted in the government's efforts to recover funds through Quebec courts. With respect to the major contracting fraud, our audit work resulted in the government recovering $146 million. Audit work carried out for the PWGSC Contract Program has resulted in significant annual cost savings for Canadian taxpayers. It provides an important oversight function to ensure that government contracts provide Canadians best value for their tax dollars.

Although only in our second year of operation as ASC, we were able to make significant progress in building on our reputation as a provider of high quality professional audit services. The number of our auditors with professional designation is now 95%, against a target of 80%. Our annual client satisfaction survey found that 95% of all respondents reported that they were satisfied with our services. This high level of client satisfaction was also reflected in the high level of our repeat business, which was 95%, against a target of 85%.

We generated $3 million worth of business with the Office of the Comptroller General, which is $1 million more than we had targeted. It should be noted, however, that our total revenues, as an organization, for 2007-2008, were $16.3 million, or a $1.7 million shortfall from the targeted revenues of $18 million. This shortfall is due to the ongoing difficulties faced in recruiting sufficient auditors to meet the strong demand for audit services.

Lessons Learned and Opportunities

To satisfy the high demand for audit services, our top priority will be to staff and retain professional auditors. Concurrently, owing to both the changing requirements of the audit profession and the need to maintain the quality of services that we deliver and that clients have come to expect, we will be working to ensure that our auditors receive between eight and ten days of annual professional development to maintain and advance their knowledge and skills. After closely monitoring our financial performance for 2007-2008, a review will be undertaken in 2008-2009 to determine a more appropriate funding and business model.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Statutory Votes			
Gross Expenditures	25.0	*25.1*	**16.3**
Less: Respendable Revenues	25.0	*25.0*	**16.3**
Net Resources (Provided) Used (Note1)	-	*0.1*	-
Consulting and Audit Canada Revolving Fund - Audit Services - Full Time Equivalents (FTEs)	207	*207*	**159**

Note 1: The reduction in business volume is mainly attributable to 48 fewer Full Time Equivalents than planned, coupled with a significant investment in building a professional practice. In accordance with the Policy on Special Revenue Spending Authorities, the Consulting and Audit Canada Revolving Fund received $5.5 million from the Operating Vote to cover the Audit Services shortfall.
Note 2: The amounts reported for the Consulting and Audit Canada Revolving Fund are on a modified cash basis.
Note 3: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
• High-quality professional services. • Knowledgeable and sustainable workforce. • Improved internal audit capacity within the federal government while maintaining core resources to meet cost and contribution audit needs of public service managers. • Cost-effective delivery of services.	Overall client satisfaction rate	Exceeded target by 10% (95% vs. target of 85%).
	Number of auditors with professional designation.	150 vs. target of 130.
	Projects with and on behalf of the Office of the Comptroller General.	$3 million Memorandum Of Understanding vs. $2 million target.
	Implementation of a funding model that will allow Consulting and Audit Canada to attain its financial goals.	Deferred to fiscal year 2008-2009.
	Net revenue.	Shortfall of $1.7 million ($16.3 million in revenues vs. target of $18 million).

13. BUSINESS INTEGRATION SERVICES

Program Description

Industrial Security Program (ISP): Comprises two activities: Contract Security which safeguards sensitive government information and assets entrusted to the private sector when under government contract; and Controlled Goods which prevents unauthorized examination, transfer or possession of controlled goods.

Shared Services Integration (SSI): Provides support to five corporate administrative shared systems (Human Resources Information System [HRIS], Automated Materiel Management Information System [AMMIS], Integrated Financial and Materiel System [IFMS], Government of Canada Human Resources Management System [GC HRMS], and a commercial, off-the-shelf financial management system) and human resource services to small departments and agencies.

Expected Results

Classified/protected Government of Canada information and assets are safeguarded and controlled goods are protected while in the custody of private sector companies; and high-quality, timely and accessible support is provided to corporate administrative systems client groups and small departments and agencies requiring HR services.[3]

Actual Results

Demand for industrial security services has been growing since 9/11 as a result of heightened security awareness and increased military procurement. In 2007-2008, the Industrial Security Program processed more than 2,400 requests for security advice and clauses for contracts. This is 10% higher than the 2,171 received in 2006-2007. Reflecting this increase, PWGSC also processed 114,000 security screenings and clearances, representing an increase of 8.5% over the previous year.

As a result, PWGSC implemented initiatives to efficiently respond to this increasing demand. For example, we launched a new industrial security On-line Inquiry Service (OIS) in October 2007. Since its release, the service has registered almost 3,000 new users from industry and government. By March 31, 2008, these users had performed over 32,000 searches to immediately confirm the status of personnel security

[3] The expected results statement for the Business Integration program activity does not explicitly cover the Industrial Security Program or Shared Services Integration. We have therefore created new expected results for these two programs.

clearances. This is a significant enhancement to the quality of our services.

At the same time, we prepared for the implementation of the RCMP Real Time Identification (RTID) initiative. Upon activation, the system will enable the electronic transmission of fingerprints, thereby significantly reducing security clearance turnaround times.

In response to recommendations of the October 30, 2007 Report of the Auditor General of Canada – Chapter 1 - Safeguarding Government Information Assets in Contracting – we implemented a management action plan to improve contract management and security. As part of this plan, PWGSC issued instructions to departments to more clearly identify security requirements in contracts; finalized ISP standard operating procedures and delivered staff training to ensure consistent program delivery; and certified its information systems to conform to Government of Canada Management of Information Technology Standard (MITS).

We also implemented additional measures to strengthen program delivery. They included: an independent third party review of the operation of the ISP; a new Industrial Security Management Advisory Board to provide program advice and oversight; and a business improvement project to automate data transfer between procurement and security information systems.

Shared Services Integration (SSI) continues to focus on quality assurance. In 2007-2008, PWGSC completed an external review of our IFMS corporate administrative system. The purpose of this review was to validate the methodology used to develop and maintain the IFMS. This review provided recommendations to improve quality assurance of product management, planning, change management, release management and communications. These recommendations will be implemented beginning in 2008-2009.

Through a client visitation program, PWGSC identified areas of improvement in client-provider relationships in the delivery of HR services to small departments and agencies. Results of these consultations are: clearer accountabilities between clients and PWGSC; stronger oversight; and more streamlined processes.

Lessons Learned and Opportunities

The October 2007 Report of the Auditor General identified administrative deficiencies in the Industrial Security Program and acknowledged that investments were needed to strengthen the program. Two requests for funding were submitted in 2007-2008 to address the funding shortfall. These resulted in one-year funding solutions for 2007-2008 and 2008-2009. Combined with a reallocation of funds within the department, this will provide the funding required to build capacity within ISP to respond to the demand. Efforts are under way to recruit, train and retain skilled professionals to meet current and future program needs.

We also identified an opportunity to better demonstrate SSI program performance through improved management information. Work will be carried out to develop performance indicators to measure the cost effectiveness of program support. We will also be reviewing our SSI funding and costing models to improve transparency of program costs.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	29.8	*46.5*	**44.5**
Less: Respendable Revenues	22.3	*28.2*	**28.2**
Net Expenditures[Note 1]	7.5	*18.3*	**16.4**
Business Integration Services - Full Time Equivalents (FTEs)	132	*257*	**257**

Note 1: Consulting, Information and Shared Services Branch (CISSB) includes activities for Government Information Services and Stewardship, as well as Business Integration Services and Consulting Services. CISSB ended the year at almost breakeven (2.5% variance overall). The variance between the authorities and actual spending is mainly due to unadjusted authority transfers between Government Information Services and Business Integration Services.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Timely processing of personnel security screenings.	Percentage of reliability clearances turned around in 48 hours.	82.5% of reliability status screenings were turned around in 72 hours. Original target was 48 hours. However, timeliness objectives were revised to account for the multi-stakeholder nature of the process.
Timely registration or renewal of companies in Controlled Goods.	Percentage of companies renewed or registered in Controlled Goods within 30 days.	92% of companies were renewed or registered within 30 days.
Clients are satisfied with corporate administrative systems support services and human resource services.	Percentage of human resources services clients satisfied.	88.8% of human resource services clients were satisfied with service.

14. TRANSLATION AND INTERPRETATION TO PARLIAMENT, CONFERENCE INTERPRETATION, TERMINOLOGY

Program Description

Provision of translation and interpretation services to Parliament, conference interpretation and terminology services.

Expected Results

Best-value service to Parliament, the judiciary and other government organizations to ensure the government's ability to function in both official languages and other languages as required.

Actual Results

In 2007-2008, to focus on advancing our quality services strategic outcome, we modernized our services, introduced new technologies, and expanded the scope of our offerings so that more Canadians can participate in the democratic process of our nation. In total, we provided translation and interpretation services to more than 1,500 sessions of the Senate, the House of Commons, and various parliamentary committees. We assigned interpreters to major events such as the G8 Summit in Germany, and the Prime Minister's visit to Latin America. We inaugurated new facilities for the interpretation laboratory used to train interpreters to remain current in a world where proficiency in languages will be critical to Canada's interests in trade and international relations. In 2007-2008, we had net expenditures of $57.8 million, which remained relatively stable from the previous year.

In support of Canada's current reality as a bilingual and multicultural nation, we worked on behalf of Canadians to ensure everyone has

access to parliamentary proceedings. As such, we implemented a voice recognition system for closed captioning services so that Francophones who are hard-of-hearing can follow live broadcasts of Question Period. Similarly, we reviewed the offering of Aboriginal language interpretation services with the Senate, and prepared a draft service offering for sign language interpretation to support the government's obligation to provide these services.

Finally, we began work on the integration of terminology banks of other international organizations with TERMIUM®. By expanding our terminology bank to other languages such as Spanish and Portuguese, we are assuring Canadians that the translations and interpretations provided by their government are of the highest quality.

Lessons Learned and Opportunities

In fall 2007, the Senate decided to provide interpretation services in Inuktitut. This was a welcomed opportunity, which has continuing challenges such as the recruitment and training of translators and interpreters and the development of terminology for parliamentary debates in Aboriginal languages. Similarly, with the expansion of our offerings for real-time, closed captioning of House of Commons proceedings in French, there is an opportunity to improve the system currently used to deliver this service in English.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	55.7	57.7	57.8
Less: Respendable Revenues	-	-	-
Net Expenditures	55.7	57.7	57.8
Translation and Interpretation to Parliament, Conference Interpretation, Terminology - Full Time Equivalents (FTEs)	-	-	-

Note 1: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Best-value service to Parliament, the judiciary and other government organizations to ensure the government's ability to function in both official languages and other languages as required.	Percentage of sessions covered in both Houses of Parliament.	100% of sessions in both Houses of Parliament used the Bureau's services.
	Percentage of clients satisfied with service.	The satisfaction rate of clients was 94% for interpretation services and 84% for translation services.
	Number of hits on the Translation Bureau's Terminology site (TERMIUM®).	There were 476 million hits and 66.5 million searches on TERMIUM®.

15. TRANSLATION BUREAU REVOLVING FUND

Program Description

Provision of translation, technolinguistic and other linguistic services to the judiciary and federal departments and agencies on a cost-recovery basis.

Upon request, provide translation, technolinguistic and other linguistic services to other governments in Canada and international organizations on a cost-recovery basis.

Expected Results

Financially viable organization offering best-value service to the judiciary and other government organizations to ensure the government's ability to function in both official languages and other languages as required.

Actual Results

In 2007-2008, we provided quality linguistic services to federal organizations on a cost-recovery basis, thereby allowing them to function in both official languages. Specifically, we provided more than 1.5 million pages of translation at some 60 points of service nation-wide, achieving revenues of $215.3 million; 84% of our clients said that they were satisfied with the quality of our services. We assigned 540 translators and seconded 69 others to our clients. We also installed translation memory licenses in over 60% of our points of service. This was an extremely valuable exercise in transforming our production system and improving the quality of our services.

To further improve the way we deliver our services, we also completed the implementation of an activity-based costing system that will enable the production of cost reports, analyze the profitability of various business scenarios, and provide advice on pricing strategies for our clients.

In order to build our capacity, which is essential to maintaining our high level of service quality, we gave special attention, in 2007-2008, to the recruitment and development of staff in specialized sectors and in sectors with critical staff shortages. Approximately 100 recruits participated in our two-year learning program. Finally, through our new business model, we streamlined our processes to achieve optimal automation from order taking to invoicing. For more detailed information on this revolving fund, the full audited financial statement may be seen on-line at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Lessons Learned and Opportunities

During 2007-2008, we continued to implement the translation memory. This tool allows previously translated segments of text to be retrieved from archives and used to ensure terminological consistency. Although the memory has proved to be beneficial, we found that a longer adaptation period was needed for staff to learn how to optimally use the tool. This represents an opportunity as the memory has changed not only how translators work, but also our entire translation process and administrative operations.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Statutory Votes			
Gross Expenditures	214.9	*221.1*	**218.6**
Less: Respendable Revenues	214.9	*214.9*	**215.3**
Net Resources (Provided) Used [Note1]	-	*6.2*	**3.3**
Translation Bureau Revolving Fund - Full Time Equivalents (FTEs)	1,534	*1,681*	**1,653**

Note 1: The variance of $0.4 million in respendable revenues is due to an increase in translation requests. For the expenditures, the variance of $2.5 million is due to a refund of employee benefits for $1.5 million from Treasury Board and the budgeted salaries included an increase for collective bargaining, which did not materialize in 2007-2008.
Note 2: The Bureau's revolving fund provides services to Parliament and collects the related revenues from its own operating vote. Accordingly, the revolving fund's gross expenditures and respendable revenue include the net expenditures reported in Translation and Interpretation to Parliament, Conference Interpretation, Terminology and Translation Stewardship Program Activities.
Note 3: The amounts reported for the Translation Bureau Revolving Fund are on a modified cash basis.
Note 4: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Financially viable organization offering best-value service to the judiciary and other government organizations to ensure the government's ability to function in both official languages and other languages as required.	Percentage of revenue objectives met.	The revenue objectives were exceeded, settling at 108% ($150 million instead of the forecast of $140 million).
	Percentage of clients satisfied with service.	84% satisfaction rate for translation services.

16. GREENING GOVERNMENT OPERATIONS SERVICES

Program Description

Provision of environmental services at the established service standards, to federal departments and agencies.

Expected Results

Clients are satisfied with the quality, timeliness and value of PWGSC's environmental services.

A positive influence on environmental performance and sustainability of government operations.

Actual Results

As a service provider in real property management, with expertise in environmental services, we provide leadership in greening government operations, both within PWGSC, and across all federal departments and agencies.

We operate and maintain our real property assets in the most environmentally responsible manner. To this end, we adopted the Building Owners and Managers Association's (BOMA) Go Green Plus environmental assessment program. As well, we implemented the Go Green Plus environmental assessment tool to evaluate the environmental performance of federally owned office buildings in energy; water and waste reduction and recycling; emissions, effluents and other impacts; indoor environment, and environmental management. The goal is to assess all federally owned office buildings within three years. These assessments, which provide real-time feedback on a building's performance and identify areas for improvement, are used to compare portfolio performance with Canadian industry benchmarks. They help us adapt building operations and maintenance to reduce the environmental footprint of our buildings.

Furthermore, we implemented a series of plans to reduce greenhouse gas emissions, reduce the consumption of natural resources, and manage waste through re-use and recycling. We implemented an Environmental Compliance Management Program to ensure compliance with environmental legislation. We are also developing an implementation plan for guidance on green leases.

To better serve our client needs, we implemented a new organizational structure to organize environmental aspects and service lines into program level groupings. Service levels were maintained and our client departments now enjoy single window program delivery; 89% of our clients indicated satisfaction with the overall level of service we were providing.

The Final Cost Share Agreement on the restoration of the Sydney Tar Ponds received Treasury Board approval. The Government of Canada will contribute up to $280 million with an additional $120 million from the Government of Nova Scotia. The Sydney Tar Ponds Agency will carry out the project, and PWGSC and the Nova Scotia Department of Transportation, Infrastructure and Renewal, will monitor the

project to ensure that it is managed in an effective, environmentally sound and accountable manner.

As part of this, a $6 million preventative work project was designated as an Aboriginal Set aside. The project linked the government's priority of improving the lives of Canada's Aboriginal people through provision of skill set improvement and enhanced capacity of First Nations companies.

Lessons Learned and Opportunities

Our first client satisfaction survey found that 89% of all respondents were satisfied with our overall service.

The survey's findings have helped us to identify areas for improvement, which will be incorporated into an improvement strategy currently being developed.

All clients, with whom projects over $25,000 in value were conducted, were solicited to complete our Client Satisfaction Survey. In cases where business volumes did not exceed $25,000 but various smaller dollar value projects to the same client existed, the client was also surveyed for a Client Satisfaction Survey.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating (including Special Purpose Allotment) and Statutory Votes			
Gross Expenditures	-	*10.6*	**10.2**
Less: Respendable Revenues	-	-	-
Net Expenditures[Note 1]	-	*10.6*	**10.2**
Greening Government Operations Services - Full Time Equivalents (FTEs)	3	*9*	**9**

Note 1: The Sydney Tar Ponds project spent 96.2% of the budget. The lapse is attributable to some forecasted legal expenses that were paid by the Department of Justice and expenses for the Ecological Risk Assessment, which came in under forecast.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Clients are satisfied with the quality, timeliness and value of PWGSC's environmental services. A positive influence on environmental performance and sustainability of government operations.	Percentage of projects (greater than $25,000 in value) where project debriefs are conducted (The results of the project debriefs are to be carefully considered for purposes of improving future environmental services).	Our first client satisfaction survey found that 89% of all respondents were satisfied with our overall service.

SOUND STEWARDSHIP

We undertook a number of key initiatives in program activities supporting our sound stewardship strategic outcome. Sound stewardship benefits Canadians through accountability, fairness and transparency in our business.

In support of our stewardship role, we introduced a Code of Conduct for Procurement, which, through the *Federal Accountability Act* and Action Plan, helped to strengthen accountability and increase transparency and oversight in government-wide operations. The Code of Conduct for Procurement consolidated existing legal, regulatory and policy requirements into a concise statement of the expectations the government has of its employees and its suppliers.

We also assisted in the creation of the Office of the Procurement Ombudsman. Its mandate is to review the practices of government departments in acquiring materiel and services, review complaints from suppliers respecting the awarding of contracts or in the administration of contracts by departments, as well as ensuring availability of a dispute resolution process where parties agree to participate to resolve differences.

PWGSC, in its stewardship role, supported government initiatives to strengthen transparency and accountability in the management of advertising and public opinion research (POR). As part of the *Federal Accountability Act* and Action Plan, an Independent Advisor was appointed to conduct a full review of POR activities. In addition to providing information in support of this review, PWGSC also coordinated the government's response to recommendations from the Independent Advisor.

The integrity of everything we do, from the tendering of contracts to our publication of the Public Accounts of Canada and the *Canada Gazette*, defines our stewardship objectives as we continually strive to ensure that Canadian taxpayers receive the high quality services and programs that they have come to expect from PWGSC in an accountable and transparent manner.

We have 10 sound stewardship program activities, outlined as follows:

1. Real Property Stewardship
2. Supply Operations Stewardship
3. IM/IT Stewardship
4. Receiver General Stewardship
5. Public Service Pay Stewardship
6. Public Service Pension Stewardship
7. Government Information Stewardship
8. Business Integration – Performance Management
9. Translation Stewardship
10. Greening Government Operations Stewardship

1. REAL PROPERTY STEWARDSHIP

Program Description

Provision of strategic leadership and proactive management of the resources and real property assets to support the delivery of government programs.

Expected Results

Government program delivery is facilitated by a consistently applied, modern real property and program management framework that reflects a whole-of-government perspective in decision-making.

Actual Results

Stewardship refers to the prudent management and use of federal resources, including ensuring the long-term integrity of federal real property assets in the custody of PWGSC.

In 2007-2008, we aligned ourselves more directly with private sector best practices in managing our real property portfolio. In line with our new business management model, we now look at the total cost of ownership with enhanced consideration towards risk when deciding whether to own, lease or make lease-purchase arrangements for long-term office accommodation. The Government of Canada has endorsed this broader approach, ensuring that Canadians benefit from the best overall value.

PWGSC achieved a distribution ratio of 77/23 between the Ontario and Quebec components of our National Capital Area office accommodations. To meet our target ratio of 75/25, a competitive process was launched to develop new office space in Gatineau.

Long-term leases were sought wherever favourable to the Crown. For leases of less than 5,000 rentable square metres, the average duration climbed from 7.81 to 8.5 years, thus providing longer-term reliability for Canadians.

Managed risk creates better results for both our clients and Canadians. We implemented Integrated Risk Management (IRM) practices and developed a risk management policy and manual to better manage our real property portfolio. We integrated a Corporate Risk Profile, identifying corporate risks and mitigating strategies, into our Real Property Business Plan. Our Audit Management Office implemented and monitored audit recommendations to ensure deadlines were met.

As a client-focused organization, we provided our client departments with the real estate services that they needed, when they needed them and at prices that represent best value for Canadian taxpayers. We regularly engaged our clients to obtain their comments and suggestions for improvement. For example, in 2007-2008, our quarterly satisfaction surveys reported an 88% satisfaction rating for our office buildings managed by the private sector. We attained a 92% satisfaction rating for all office buildings in the previous year (as reported in our bi-annual National Tenant Satisfaction Survey 2006-2007).

To ensure that our real property investment provided best value for the government and taxpayers, we developed and implemented a National Property Plan to support investment and project decision-making on a full portfolio basis. This allows us to ensure that prioritized multi-year project requirements are linked with our department's annual financial and human resources allocations.

Lessons Learned and Opportunities

In order to support our ongoing stewardship role in real property management, we will continue to evaluate our business planning and risk management to ensure best practices are implemented.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	44.1	*76.3*	**70.4**
Less: Respendable Revenues	1.9	*3.3*	**3.3**
Net Expenditures[Note 1]	42.2	*73.0*	**67.1**
Real Property Stewardship - Full Time Equivalents (FTEs)	254	*384*	**383**

Note 1: The variance between authorities and actual spending is largely due to delays in staffing vacant positions and postponement of consulting contracts to the new fiscal year.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Government program delivery is facilitated by a consistently applied, modern real property and program management framework that reflects a whole-of-government perspective in decision-making.	Actual recapitalization rate vs. funded recapitalization.	86% Actual vs. funded recapitalization rate has increased by 2.5% (from 83.5% to 86%). Target is 98%.
	Percentage or number of portfolio plans approved (against target).	100% (based on 6 plans).
	Operating and capital year-end actuals are within pre-determined percentage of budget in accordance with approved practices.	94.4%

2. SUPPLY OPERATIONS STEWARDSHIP

Program Description

Acquisition Policy; Contract Quality Assurance; Professional Development; Vendor Performance and Review; and other management and administrative activities to support program delivery.

Expected Results

Address *Federal Accountability Act* commitments and meet branch goals related to achieving procurement transformation objectives and carry out core functions.

Actual Results

In 2007-2008, we undertook a number of initiatives related to our acquisition stewardship responsibilities to ensure value for money in all our purchases. We also established levels of accountability and transparency that guarantee all Canadians are treated fairly and openly when accessing procurement opportunities provided by the government.

As part of the implementation of the *Federal Accountability Act*, we assisted in the creation of the Office of the Procurement Ombudsman to review procurement practices across government and address supplier complaints. We also introduced a Code of Conduct for Procurement, which provides a concise statement of acceptable conduct, when contracting with the government, to ensure that both government employees and suppliers share the same expectations and commitments.

We conducted a promotional campaign to increase awareness of supplier-related issues and to attract small and medium-sized enterprises in key sectors to consider doing business with the Government of Canada. Furthermore, we assisted 18,000 individuals and small and medium business representatives through approximately 970 outreach activities that included seminars, special events and trade shows on the procurement process and doing business with the government. We also provided service through a

1-800 Infoline and updated the Office of Small and Medium Enterprises and Business Access Canada websites. This resulted in an 8% increase, from the previous year, in the number of enterprises registered with PWGSC through our Supplier Registration Information service.

To further strengthen our stewardship role, we responded to the findings of the Office of the Auditor General by reviewing all property management transactions under the Integrated Relocation Program, dating back to 1999. As a result, the supplier of our integrated relocation program, has now processed refunds for 95 of the 139 Canadian Forces members who were over-charged. This represents $100,202 of the $133,041 to be reimbursed.

Lessons Learned and Opportunities

We developed strong corporate capacity for sound stewardship by undertaking the work outlined above under this program activity. The challenge is to maintain this capacity and continue to build upon it.

PWGSC has established a Procurement Oversight Committee to review large or sensitive procurements where PWGSC is both the client and the contracting authority.

We will also redevelop the supply manual for clarity and operations improvement along with a new vendor performance policy.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	65.7	67.5	**52.1**
Less: Respendable Revenues	8.5	4.7	**4.7**
Net Expenditures[Note 1]	57.2	*62.8*	**47.4**
Supply Operations Stewardship - Full Time Equivalents (FTEs)	332	*312*	**305**

Note 1: The variance between the total authorities and actual spending represents in part actual expenditures (Governement of Canada Market Place $9.7 million & Reprographic Licence $2.6 million) that are reflected in Acquisition Services program activity. In applying the aforementionned adjustment, the variance would mainly be due to lower than anticipated expenditures related to the Business Transformation.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Address *Federal Accountability Act* commitments.	Number of Canadian International Trade Tribunal cases - percentage in PWGSC's favour vs. suppliers' favour.	Of the more than 60,000 contractual documents issued in 2007-2008, 24 were subject to a CITT inquiry. Of these 24 complaints, 7 remain unresolved, 10 were found not valid, and 7 were found valid or valid in part. The Federal Court of Appeal is conducting a judicial review of 2 of the 7 complaints found valid or valid in part. In one complaint found valid in part, PWGSC received complaint preparation costs.
Meet branch goals related to achieving procurement transformation objectives and carry out core functions.	Number of complaints to Procurement Ombudsman.	No statistics are available as yet, given that the permanent Office of the Procurement Ombudsman came into effect in May 2008.

3. IM/IT STEWARDSHIP

Program Description

IM/IT Stewardship provides IM/IT standards, architecture, engineering, security, client interface/relationship, branch program management, strategy and governance.

Expected Results

Sound leadership of IM/IT resources in Government of Canada.

Actual Results

In 2007-2008, we continued to provide sound stewardship over IM/IT resources by working with federal organizations responsible for delivering and managing IT infrastructure and shared services. As part of our stewardship role, we engaged client organizations and the Treasury Board Secretariat in the governance process. The key achievements were in developing and delivering IT products and services that meet client needs in a manner that was open, transparent and accountable.

The most important element of IT shared services governance is the interdepartmental IT Shared Services Council composed of Assistant Deputy Ministers from a number of departments and agencies. This Council provided strategic advice and guidance to help ensure that plans and strategies address future delivery of IT shared services.

A related component of our stewardship is product governance, where government departments participated in the direction of four key pillars of IT shared services: Distributed Computing, Data Centres, Telecommunications and IT Security. To enhance our planning processes, we developed and refined integrated products and service plans for the four pillars. To properly consult on client needs and priorities, we established terms of reference for management boards and advisory committees with representation from federal government departments and agencies.

The Service Management Improvement Program made significant progress towards operational excellence through the implementation of industry recognized best practices and processes. We launched 31 projects to increase efficiencies, thereby reducing our operational costs by over $3 million.

Lessons Learned and Opportunities

The establishment of a comprehensive governance framework has proven to be extremely important. By engaging departments with effective communications and transparency, as well as soliciting and seeking requirements for product development, we managed to advance the implementation of shared services. We learned that clear roles, responsibilities and accountabilities are imperative in the successful delivery of IT products and services. This is critical at all stages of the product lifecycle, from inception to development, to launch of operations.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	14.1	*18.8*	**15.0**
Less: Respendable Revenues	0.6	*1.1*	**1.1**
Net Expenditures[(Note 1)]	13.5	*17.7*	**13.9**
IM/IT Stewardship - Full Time Equivalents (FTEs)	122	*124*	**124**

Note 1: The variance between the total authorities and the actual expenditures is mostly due to year-end crosscharges to the Telecommunications and Informatics Common Services Revolving Fund and to the IT Infrastructure Rust-Out Treasury Board submission as well as to the Corporate Management allocation.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Sound leadership of IM/IT resources in Government of Canada.	Level of service availability and reliability.	2007-2008 was a record year, during which we exceeded the 99.7% availability target across all 16 systems in all 12 months. The aggregate annual availability for these systems was 99.98%. We achieved the monthly target of less than 5 failures. For the full 2007-2008 fiscal year, there were 13 failures (none significant), and 6 incident-free months.
	Infrastructure utilization rate.	Average space utilization rate was 95.6% across 4 National Capital Area Data Centre Facilities. Percentage of utilization of Mainframe MIPS (processing units) consumed in the IT infrastructure was 94.55% (Average Effective MIPS).
	Level of partner participation.	Signed high-level Memoranda of Understanding (MOUs) with Strategic Partners as the framework for collaborating on IT Shared Services Development (Datacentre Services - CRA; Distributed Computing - DND; Networks - Service Canada). Piloted Reading Accounts and Deploying Appropriate Resources (RADAR) methodology with key departments as foundational to the Client Portfolio Management Model. This is a prelude to rollout to the top 20 clients by volume (representing some 80%). In addition, we instituted Client Portfolio Review meetings on a pilot basis with key clients, such as PWGSC, DND, Service Canada, Transport Canada, and Health Canada.

4. RECEIVER GENERAL STEWARDSHIP

Program Description

Maintains high-quality support for the Consolidated Revenue Fund and the Accounts of Canada (revenue collection, cash management operations, payment services, Public Accounts, Monthly Statement of Financial Operations, Central Accounts).

Expected Results

Preservation of the integrity of the Consolidated Revenue Fund and the Accounts of Canada. Effective execution of functions essential to the transparency, integrity and control of government financial information.

Actual Results

In 2007-2008, we issued 255 million payments in almost 150 countries, and handled more than $1.6 trillion in cash flows. We issued payments, including payments to taxpayers for socio-economic programs such as the Canada Pension Plan, Old Age Security and Employment Insurance programs, as well as payments on behalf of nine provinces and three territories. We also produced the Public Accounts of Canada for

175 departments, agencies, Crown corporations and other business entities as part of our reporting to Parliament and to the public, in compliance with the requirements and schedule established by the Office of the Comptroller General, Department of Finance and the Office of the Auditor General. We maintained the accuracy and integrity of these functions that is critical to the ongoing operations of the government and its service delivery to Canadians.

In order to reduce costs and support the government's green agenda, we undertook promotional campaigns to encourage the use of direct deposit as a more secure and reliable way to receive payments. In 2007-2008, 70.8% of all payments were made electronically. Direct deposit participation increased by an additional 5.3 million for a total of 172 million direct deposit payments, an increase of 2.7% over the previous year. Enrolment in the foreign direct deposit program is as high as 55.8% of eligible recipients, depending on the country. The direct deposit program eliminated approximately 2,500 metric tonnes of paper last year, saving approximately 60,000 trees. This continued effort has created not only value for Canadians in both efficiency and environmental benefits but in service as well.

We took further measures to reduce costs while ensuring that banking services continue to be provided to departments overseas, such as for the Department of National Defence to pay local suppliers in Kandahar, Afghanistan. Significant progress was also made to prepare for the acquisition of foreign banking services in 2008-2009. We also worked in collaboration with Service Canada and put in place the infrastructure and processes necessary to issue payments related to Indian Residential Schools. Over 60,000 payments were made in 2007-2008 and work will continue next year to support this important program.

In 2007-2008, as part of the Receiver General Streamlining Project, testing of image-based cheque clearing with financial institutions started and will be carried through until 2008-2009.

Lessons Learned and Opportunities

Given that the direct deposit promotional campaign yielded better results than expected, we will intensify our campaign efforts in collaboration with program departments for payments made on their behalf. Finally, we underestimated the impact of cheque redesign for reconciliation during the peak periods. To minimize the impact in the future, we are examining possibilities to extend our processing window.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating (including Special Purpose Allotment) and Statutory Votes			
Gross Expenditures	144.0	*150.6*	**146.1**
Less: Respendable Revenues	13.5	*19.5*	**19.5**
Net Expenditures[Note 1]	130.5	*131.1*	**126.6**
Receiver General Stewardship - Full Time Equivalents (FTEs)	503	*483*	**484**

Note 1: The variance between the authorities and actual spending is mainly due to the following factors : The Corporate Management Allocation and, in the Special Purpose Allotment, lower postage requirements as a result of higher than anticipated enrolment in direct deposit. These surpluses were not allocated to other priorities due to funding mechanism restrictions.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Preservation of the integrity of the Consolidated Revenue Fund and the Accounts of Canada. Effective execution of functions essential to the transparency, integrity and control of government renewal information.	Monthly statements produced within an annual average of 25 working days of month end.	Produced monthly statements within an annual average of 24.4 working days of month-end.
	Timely production of public accounts as per defined schedule.	Produced the 2007-2008 Public Accounts as per schedule.
	Percentage of payments issued according to standard.	Met performance target of 99.9%.
	Percentage of daily authorization to the Bank of Canada for all outflows from the Consolidated Revenue Fund according to schedule.	Met performance target of 95%.
	Percentage of reconciliation of deposits to the credit of the RG within two business days.	Exceeded the target of 95%. Produced deposit detail reports within 2 days, 98.4% of the time.
	Percentage of cheque reconciliation performed within 24 hours.	The 95% target was not met. Cheque reconciliation was performed within 24 hours, 90% of the time.

5. PUBLIC SERVICE PAY STEWARDSHIP

Program Description

Administration of payroll and health/disability insurance processes for public service employees and pensioners.

Expected Results

Assurance of the integrity of pay and benefits administration.

Actual Results

As part of our stewardship role, we continued to administer pay accounts of more than 318,000 public servants, for which approximately 9.3 million payments were issued on behalf of 109 client departments, agencies, separate employers and Crown corporations. We also administered more than 1.1 million insurance accounts.

To ensure sound stewardship, we examined the possibility of modernizing our systems and processes. The potential pay solution could address operational sustainability issues and provide better services while enabling savings from efficiencies gained. In 2007-2008, we initiated discussions with key stakeholders to look at potential options to resolve the workload challenges in the federal government compensation administration. Activities related to the consideration of various business models were carried out and PWGSC also participated in the Canada Public Service Agency's Human Resources Processes Streamlining Initiative.

As a further example of our efforts to modernize our technology, we implemented the Compensation Web Applications (CWA), which provides easy access to pay, benefits and pension information for employees, including the possibility to suppress printing their pay stubs. In addition, the CWA helped reduce the use of paper and alleviate the heavy workloads of departmental compensation advisors. This will enable us to provide better service to employees. The CWA team won a bronze medal at the Government Technology and Exhibition Conference in 2007-2008, in the Human Dimension Category.

In order to provide more timely service, PWGSC automated the filing of the Record of Employment to Human Resources and Social Development Canada for employees leaving the public service. This has resulted in work effort savings of five to ten Full-Time Equivalents per year, which would amount to savings of $250,000 - $500,000 per year. We also worked with Treasury Board Secretariat on an Insurance Renewal Initiative. A new service delivery model was completed, using

current technology related to enrolment of members in two plans – the Public Service Health Care and the Public Service Dental Care Plans.

Lessons Learned and Opportunities

The increasing difficulty for departments to recruit and retain compensation advisors requires PWGSC to invest more resources and capacity into central pay administration and advisory services to departments. In response to the compensation advisors' expressed appreciation for the new Compensation Web Applications, the department will make the necessary efforts to stabilize the funding required for the IT solution to support these applications.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	30.7	*44.7*	**43.4**
Less: Respendable Revenues	3.8	*6.7*	**6.7**
Net Expenditures[Note 1]	26.9	*38.0*	**36.7**
Public Service Pay Stewardship - Full Time Equivalents (FTEs)	374	*381*	**382**

Note 1: The variance between the authorities and actual spending is mainly due to the Corporate Management allocation.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Assurance of the integrity of pay and benefits administration.	Timely updating of government payroll records.	Met service level standards for pay and pension transactions processed in the pay systems 93% of the time. This is 2% below the target service level of 95% but this represents a remarkable achievement given the decrease in the quality of data received from departments and the lack of trained, qualified resources.
	Assurance of systems' reliability.	Consistently met service-level agreements for systems reliability. Experienced minimal payroll processing disruptions, while maintaining accuracy in collecting remittance and deduction.
	Accuracy of implementation of collective agreements and policy changes.	Implemented 172 collective agreements, letters of authority and pay rate changes accurately and effectively within the required timeframe. Implemented policy changes in a timely manner, meeting defined requirements and committed delivery timeframes.

6. PUBLIC SERVICE PENSION STEWARDSHIP

Program Description

Administration of pension processes for public service pensioners.

Expected Results

Assurance of the integrity of pension administration.

Actual Results

In 2007-2008, PWGSC managed the pension accounts of 342,000 pensioners, for which more than four million payments were issued.

To provide for our stewardship role, we undertook two important initiatives in pension administration: the Government of Canada Pension Modernization Project (GCPMP) and the

Centralization of Pension Services. We received Treasury Board approval to implement these initiatives in June 2007. The GCPMP will replace outdated technology and business processes with a multi-plan solution, based on commercial off-the-shelf software products that will ensure ongoing sustainability of pension administration and enable industry standard levels of service. The project is on time and under budget. Further information on the Pension Modernization Project may be found in Section III - Table 9 or on our website at: http://www.pwgsc.gc.ca/reports/text/dpr_2007-2008/rpe-cpt-e.html.

In order to realize further efficiencies and economies of scale, we have taken steps to consolidate the delivery of pension services through a centre of expertise within PWGSC. The project team concentrated on preparing for the centralization of pre-employment and spousal/dependant benefits information scheduled for May 2008. We conducted business process reviews of the pension plan enrolment and orientation services, to be implemented in April 2009, and of the pension benefits entitlement and survivor pension entitlements services to be implemented in March 2010. This project is also on time and on budget.

In spite of the pressures on resources to support the two projects mentioned above, we have continued to fulfill our targets by meeting or exceeding established service levels for key performance functions. A dedicated and knowledgeable team reduced our backlog by adhering to a strict timetable and process to streamline our efforts.

Lessons Learned and Opportunities

We have learned that we can improve upon how we manage data used to determine pension entitlement. We have initiated systems development work to improve the interface between the pay and pension systems by correcting any data errors that determine pension entitlement. This is expected to improve pension data quality in preparation for the implementation of the new pension system.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	56.9	*99.0*	97.5
Less: Respendable Revenues	37.9	*74.2*	74.2
Net Expenditures[Note 1]	19.0	*24.8*	23.3
Public Service Pension Stewardship - Full Time Equivalents (FTEs)	593	*715*	780

Note 1: The variance between the authorities and actual spending is mainly due to the Corporate Management allocation and Personnel Corporate Costs.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Assurance of the integrity of pension administration.	Quality rate of initial payments monitored.	Made initial pension payments within established standards 98.9% of the time. This exceeded the service level standard of 96% with the exception of service buy-back. Reduced service buy-back backlog to 1454 cases compared to 1778 in 2006-2007, and completed 78.1% of requests according to standard compared to 70% in 2006-2007.
	Assurance of systems' reliability.	Consistently met pension system service-level agreements during this reporting period and maintained accuracy of pension data with minimal disruptions.
	Accuracy of implementation of policy changes.	Implemented policy changes in a timely manner, meeting defined requirements and committed delivery timeframes.

7. GOVERNMENT INFORMATION STEWARDSHIP

Program Description

Government Information Stewardship activities provide government-wide advisory, coordination and monitoring services in the areas of advertising, public opinion research, and electronic media monitoring. These activities are detailed in the *Communications Policy of the Government of Canada* and its associated procedures.

Expected Results

Sound internal financial management, transparency and accountability with respect to government information services provided from a whole-of-government perspective.

Actual Results

PWGSC, in our stewardship role, supported government initiatives to strengthen transparency and accountability in the management of advertising and public opinion research (POR). As part of the *Federal Accountability Act* and Action Plan, an Independent Advisor was appointed to conduct a full review of POR activities. PWGSC provided information in support of this review and coordinated the government's response to the Independent Advisor's Report.

The review acknowledged improvements made since the Auditor General's November 2003 report, and included 24 recommendations designed to ensure value for money, strengthen the procurement of POR and take additional measures to ensure the political neutrality of all POR projects. PWGSC and the Treasury Board Secretariat are working together, in consultation with departments and the POR supplier industry as appropriate, to address all recommendations according to the government response. For example, PWGSC began work to develop new contracting tools which will provide greater rigour in supplier selection and contract management; undertook negotiations for the centralized control of syndicated POR studies; and continued work to update the PWGSC Vendor Performance Policy to include a performance evaluation process. The full report of the Independent Advisor and the Government's response may be found on-line at: http://www.tpsgc-pwgsc.gc.ca/apropos-about/li-fa/rpt-rpt-eng.html.

PWGSC also supported the development of supplemental measures. They will improve POR oversight, planning and expenditure control across government. These measures are aimed at reducing government-wide POR expenditures by $10 million in 2008-2009. They include initiatives such as: ministerial approval of departmental POR plans; a freeze on syndicated studies to pave the way for new arrangements that seek to achieve better value for money; and raising the threshold for advertising campaign evaluations to major campaigns valued at $1 million or more. We took further action to strengthen management and accountability in advertising and public opinion research in response to program audits and reviews. For advertising, we upgraded our Advertising Management Information System (AdMIS), the government's advertising database that collects information on all government advertising campaigns, contracts and expenditures. The upgrades improved accuracy and timeliness of expenditure reporting. This provided departments with the ability to monitor their expenditures and provide accurate year-end data in support of the Annual Report on Advertising Activities.

In the area of public opinion research, PWGSC continued its efforts to improve research quality. In addition to previous work on telephone survey quality, we established an advisory panel to assist

in developing standards and benchmarks for on-line research. The panel produced recommendations on new on-line survey standards for Government of Canada surveys. These standards will be incorporated into renewed contracting tools planned for 2008-2009.

We also continued to build the government's capacity to effectively manage advertising and POR. We held 16 information sessions related to public opinion research and 38 related to advertising and partnering. These sessions informed departments regarding changes to the government's management processes, and emerging trends and sound practices in advertising and POR.

In 2007, the Auditor General produced a status report on the management of advertising and public opinion research. She concluded that: "the government has made satisfactory progress in its control over the expenditure of public funds on advertising and public opinion research activities."

Electronic Media Monitoring (EMM) provided 82 client departments with one-stop shop access to 49 electronic media sources. Ninety-four percent of clients indicated that they were satisfied with the media sources provided by EMM.

Finally, we provided input to the Treasury Board Secretariat review of the federal Communications Policy to reflect and keep pace with evolving Canadian demographic, technological and social trends. This included proposed amendments to the policy to encourage the use of ethnic and non-traditional media in advertising.

Lessons Learned and Opportunities

Transparency and accountability in the management of advertising and public opinion research remain key priorities for the government. Further work will be undertaken to enhance our electronic information systems to provide more timely and comprehensive reporting of advertising and POR activities and expenditures.

Responding to the diverse information needs of Canadians in a cost-effective manner requires that government departments keep abreast of evolving communications technology, leading public opinion research methodology, audience demographics and societal trends. PWGSC will augment its information sessions, tools and practices to enable federal institutions to make best use of these new developments in the management and the implementation of their POR and advertising activities.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	17.5	*22.1*	21.5
Less: Respendable Revenues	-	-	-
Net Expenditures (Note 1)	17.5	*22.1*	21.5
Government Information Stewardship - Full Time Equivalents (FTEs)	61	*61*	79

Note 1: Consulting, Information and Shared Services Branch (CISSB) includes activities for Government Information Services and Stewardship Program Activities, as well as Business Integration Services and Consulting Services. CISSB ended the year at almost breakeven (2.5% variance overall). The variance between the authorities and actual spending is mainly due to unadjusted authority transfers between Government Information Services and Business Integration Services Program Activities.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Sound internal financial management, transparency and accountability with respect to government information services provided from a whole-of-government perspective.	Percentage of surveyed public servants expressing awareness of central function and of policies and procedures related to communication of government information.	94% of departmental clients were satisfied with the choice of Electronic Media Monitoring (EMM) sources (2007 EMM User Survey). 96% of clients surveyed expressed being very familiar or somewhat familiar with the Advertising directorate as well as Government policies and procedures applicable to the conduct of government advertising (2008 Advertising Client Satisfaction Survey). According to the 2008 POR Client Satisfaction Survey, 95% of clients (up from 91% in 2005-2006) indicated being very familiar or somewhat familiar with POR and Government policies and procedures.
	Annual reports on advertising and public opinion research published in a timely fashion.	2006-2007 Annual Report on Advertising Coordination Activities developed for release in early 2008-2009. 2006-2007 Annual Report on Public Opinion Research released in third quarter of the 2007-2008 fiscal year, consistent with previous years' timeframes. To view the report, please visit: http://www.tpsgc-pwgsc.gc.ca/por/text/index-e.html.
	Number of research initiatives from public opinion research advisory services to departments.	447 POR projects were reviewed, coordinated and registered for departments and agencies.
	Number of media placement approvals from advertising coordination advisory services to departments.	622 ADV numbers were issued to departments and agencies following review of media plans for compliance with relevant legislation and policies.

8. BUSINESS INTEGRATION – PERFORMANCE MANAGEMENT

Program Description

Establishes client service expectations and monitors overall service performance of PWGSC. This will include ensuring that customer satisfaction is effectively measured, and contribute to the thought process for branch/SOA initiatives on strategic level process improvements.

Expected Results

An organization that: has a sound results-oriented framework utilizing Management Accountability Framework (MAF); acts in the best interests of the department, its program branches, colleague departments and Canadians; has integrated quality assurance framework and processes; and ensures that all services are timely and cost effective for Canadians.

Actual Results

Under this program activity, we completed a number of client satisfaction surveys as part of our overall quality assurance processes in order to ensure that our customers are well served in all areas of our business and that best results are being achieved. We also revised our Performance Measurement Framework with the development of new, more strategically designed performance indicators in order to have a better idea of how our results align with established benchmarks. All of this was done within the framework of a re-designed Program Activity Architecture (to be implemented in 2009-2010), which is streamlined focused to allow us to better manage such a complex department as PWGSC and to more clearly report our results to Parliament and Canadians.

Lessons Learned and Opportunities

Through client satisfaction surveys completed in the past year, we have learned that while our services are achieving acceptable levels of satisfaction overall, there is still room for improvement. We are continuing to develop benchmarks, which raise the standards of our performance measurement and reporting.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	34.4	*45.6*	**45.6**
Less: Respendable Revenues	30.0	*38.6*	**38.6**
Net Expenditures	4.4	*7.0*	**7.0**
Business Integration Performance Management - Full Time Equivalents (FTEs)	497	*478*	**536**

Note 1: Business Integration Performance Management program activity figures reflect internal recoveries that cannot be charged to other program activities.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
An organization that: has a sound results-oriented framework utilizing MAF; acts in the best interests of the department, its program branches, colleague departments and Canadians; has integrated quality assurance framework and processes; and ensures that all services are timely and cost effective for Canadians.	Client service relations have been transferred to other service delivery areas.	In 2007-2008, quarterly Client Satisfaction Surveys occurred in four business lines with each achieving or surpassing its goal: • Compensation Client Satisfaction Survey Results – Goal 85%, result 85% • Service Call Satisfaction Surveys – Alternative Forms of Delivery Buildings – Goal 85%, result 87.8% • Percentage of clients satisfied with translation services – Goal 84%, result 84% • Government Consulting Services client satisfaction – Goal 75%, result 92%

9. TRANSLATION STEWARDSHIP

Program Description

Program management, strategy, governance, monitoring and support activities. Also encompasses activities that are necessary to:

- Ensure the security of supply of linguistic services to Parliament, the judiciary and the federal government;
- Foster the development and growth of the Canadian language industry;
- Ensure the development and dissemination of translation, terminology and technolinguistic standards in Canada; and
- Exercise the role of functional specialist in the translation, terminology, interpretation, linguistic and technolinguistic domains for the other departments and agencies.

Expected Results

Capacity to effectively manage and deliver the translation and terminology functions and ensure Canada's representation and leadership at national and international levels.

Actual Results

In 2007-2008, we supported sound stewardship by fostering the development and growth of the Canadian language industry. We worked with professional associations and the industry to

establish the first translation industry standard in Canada, which was adopted by the Language Industry Association (AILIA). We helped organize the International Terminology Symposium, held in Gatineau in May 2007, which brought together 275 participants, representing 23 countries. We also worked with various partners to encourage young Canadians, including those in official language minority and cultural communities, to seek a career in the language industry, and to ensure the professional development of translators.

We also began to develop a three-year promotion strategy to expand the pool of students and graduates in the language professions in Canada. To further support Canada's linguistic duality, we actively promoted the language professions, as career choices, to college and high school students in provinces where universities offer language programs of study.

Finally, we also represented Canada at major national and international language forums and on standardization committees and networks, including the International Organization for Standardization. The success of the work has positioned us as a strong steward of translation and interpretation services in Canada and internationally.

Lessons Learned and Opportunities

While we recognize that it is essential to work with others to achieve best results, harmonizing strategies between different partners to reach common goals proved to be longer and more challenging than expected. Thus, for future work, PWGSC will be looking at better lead times and more results-based approaches, which should reduce time in arriving at solutions and decisions.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	2.4	*2.4*	**2.4**
Less: Respendable Revenues	-	-	-
Net Expenditures	2.4	*2.4*	**2.4**
Translation Stewardship - Full Time Equivalents (FTEs)	-	-	-
Note 1: Totals may not add up due to rounding.			

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Capacity to effectively manage and deliver the translation and terminology functions and ensure Canada's representation and leadership at national and international levels.	Number of outreach activities that enhance leadership role in the industry, professional associations and universities.	Regular membership on a number of committees consisting of language industry stakeholders.
	Number of students in training and development programs (partnership with universities, co-op work, Federal Student Work Experience Program).	152 students participated in training and development programs, 32 more than the expected 120.
	Number of national and federal terminology standardization committees and international fora at which the Bureau participates.	PWGSC participated in 32 international fora and national and international standardization committees, 11 more than the expected 21.

10. GREENING GOVERNMENT OPERATIONS STEWARDSHIP

Program Description

Provision of government-wide leadership and expertise on the greening of government operations (GGO).

Expected Results

Leadership and guidance in the greening of government operations is provided to federal departments and agencies.

The whole-of-government ability and capacity to reduce the environmental impact of its operations is increased, and improvement of its overall performance for key priority areas is achieved.

Excellence in the development and implementation of PWGSC's Sustainable Development Strategy (SDS).

Actual Results

To better support our sound stewardship strategic outcome, we realigned and repositioned the Office of Greening Government Operations (OGGO) within the department. This allowed us to strengthen government-wide leadership on greening of government operations. As a result, by developing the Policy Framework for Greening Government Operations, we increased our capacity to work with internal and external stakeholders to 'green' four domains of government operations: land; buildings; business; and movement.

Our commitment to clarify environmental performance for federal operations is reflected by progress made in the area of buildings. In 2007-2008, we initiated the development of a sustainable building policy for PWGSC and our realty services group helped the Canada Green Building Council (CaGBC) develop a new rating system for the evaluation of all phases of a building's lifecycle. The CaGBC will be using data from some of our best performing buildings, including those that were recently built or renovated following the LEED® environmental rating system. As a result of our efforts, 27 federal building projects have adopted the LEED® Rating System as a guideline and are registered with the Canada Green Building Council.

In the area of procurement, we identified 31 categories of goods and services as having green procurement plans in place, representing $2.3 billion in government spending. An additional 18 categories, where government spending and environmental benefits are most significant, include standing offers that incorporate environmental performance criteria. This demonstrates to Canadian taxpayers our commitment to expand green procurement throughout the government, while maintaining high performance criteria.

We implemented the Policy on Green Procurement, in partnership with Environment Canada and Natural Resources Canada, to advance the business aspect of the Policy Framework. The policy addresses sustainability considerations in procurement processes and the development of mandatory web-based training for federal procurement officials. Many departments and agencies helped to develop strategies to address the disposal of the federal government's electronic waste.

Our efforts in managing the government's vehicle fleet also benefited Canadians. In 2006-2007, the latest year for which estimates are available, 739, or 16%, of the vehicles purchased by the federal government in that year were vehicles that used either gasoline/electric hybrid technology or could operate with alternative fuels.

Lessons Learned and Opportunities

We learned that clear accountabilities are required for effective leadership on greening government operations and performance monitoring and reporting are essential for sound management.

(in millions of dollars)

Net Expenditures 2007-2008	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	10.5	*5.0*	**4.8**
Less: Respendable Revenues	4.8	*2.0*	**2.0**
Net Expenditures[Note 1]	5.7	*3.0*	**2.7**
Greening Government Operations Stewardship - Full Time Equivalents (FTEs)	3	*21*	**27**

Note 1: The variance between the authorities and actual spending is mainly due to the Corporate Management allocation.
Note 2: Totals may not add up due to rounding.

Performance Measurement Strategy

Expected Results	Performance Indicators	Actual Results
Leadership and guidance in the greening of government operations is provided to other federal departments and agencies.	Percentage of leadership indicators met, including: governance and direction; capacity; management framework; and enabling tools.	Met 72% of leadership indicators. In 2007-2008, PWGSC successfully partnered with federal colleagues to provide leadership in support of GGO priorities. For example: - developed a framework for GGO; - supported implementation of Policy on Green Procurement; - further development of an e-waste strategy. PWGSC engaged in a process with federal partners to clarify roles and responsibilities and renew our mandate for GGO; this process will be completed in the new fiscal year
The whole-of-government ability and capacity to reduce the environmental impact of its operations is increased, and improvement of its overall performance for key priority areas is achieved.	Capacity to measure, monitor and report on government-wide environmental performance improvement in the three priority areas as described in the Performance Management Framework.	In January 2008, PWGSC initiated discussions on a government-wide strategy for performance measurement and reporting. In 2008-2009, research and development will continue in consultation with TBS, EC, NRCan and other federal departments.
Excellence in the development and implementation of PWGSC's Sustainable Development Strategy (SDS).	Performance improvement as included in the performance report on SDS implementation.	Completed monitoring and reporting of final cycle of SDS 2004-2006 and initiated monitoring and reporting of SDS 2007-2009.

SUPPLEMENTARY INFORMATION

The vision of Public Works and Government Services Canada (PWGSC) is to excel in government operations. We strive to deliver quality services and programs that meet the needs of federal organizations and ensure sound stewardship on behalf of Canadians. This enables other government departments and agencies to offer their programs and services to Canadians.

Our two strategic outcomes, quality services and sound stewardship, support the Government of Canada's outcomes related to the economic, social, international, and government affairs spending areas. (See Canada's Performance 2007-2008 at http://www.tbs-sct.gc.ca). Under the Treasury Board Secretariat's whole-of-government framework, PWGSC contributes to all of the Government of Canada's outcomes by providing services to government departments and agencies. Further information about our organization and services can be found in the following tables:

Table 1: Comparison of Planned to Actual Spending (including FTEs)

Table 2: Voted and Statutory Items

Table 3: Details on Transfer Payment Programs (TPPs)

Table 4: Loans, Investments, and Advances (Non-budgetary)*

Table 5: Sources of Respendable and Non-respendable Revenue*

Table 6: Revolving Funds*

Table 7: User Fees/External Fees*

Table 8: Details on Project Spending*

Table 9: Status Report on Major Crown Projects*

Table 10: Foundations (Conditional Grants)*

Table 11: Horizontal Initiatives*

Table 12: Sustainable Development Strategy*

Table 13: Response to Parliamentary Committees and External Audits*

Table 14: Internal Audits and Evaluations*

Table 15: Travel Policies*

Table 16: Financial Statements of Departments and Agencies (including Agents of Parliament) and Revolving Funds Financial Statements*

* Information on these tables is available on-line at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp

Table 1 – Comparison of Planned to Actual Spending (including FTEs)

(in millions of dollars)

Historical Comparison of Total Planned Spending to Actual Spending	Actual 2005-2006	Actual 2006-2007	2007-2008 Main Estimates	2007-2008 Planned Spending	2007-2008 *Total Authorities*	2007-2008 Actual
GOVERNMENT SERVICES PROGRAM						
Operating (including Special Purpose Allotments), Capital, Grants and Contributions and Statutory Votes						
Quality Services						
Gross Expenditures	2,083.5	2,200.6	2,155.3	2,592.9	*2,428.5*	**2,277.4**
Less: Respendable Revenues	436.3	472.3	286.8	286.8	*756.4*	**756.4**
Federal Accommodation and Holdings	**1,647.2**	**1,728.3**	**1,868.5**	**2,306.1**	***1,672.1***	**1,521.0**
Gross Expenditures	912.3	984.8	892.3	892.3	*892.3*	**1,035.7**
Less: Respendable Revenues	912.3	984.8	892.3	892.3	*892.3*	**1,036.2**
Real Property Services Revolving Fund	**-**	**-**	**-**	**-**	**-**	**(0.5)**
Gross Expenditures	3.7	2.8	4.0	4.0	*4.0*	**2.5**
Less: Respendable Revenues	6.7	8.9	12.0	12.0	*12.0*	**11.2**
Real Property Disposition Revolving Fund	**(3.0)**	**(6.1)**	**(8.0)**	**(8.0)**	***(8.0)***	**(8.7)**
Gross Expenditures	235.4	230.0	191.7	193.4	*244.0*	**247.1**
Less: Respendable Revenues	55.2	60.5	42.4	42.4	*82.4*	**82.4**
Acquisition Services	**180.2**	**169.5**	**149.3**	**151.0**	***161.6***	**164.7**
Gross Expenditures	92.6	94.3	100.4	100.4	*100.4*	**101.5**
Less: Respendable Revenues	94.0	95.2	100.4	100.4	*100.4*	**104.8**
Optional Services Revolving Fund	**(1.4)**	**(0.9)**	**-**	**-**	**-**	**(3.3)**
Gross Expenditures	-	-	-	-	-	-
Less: Respendable Revenues	-	-	-	-	-	-
Defence Production Revolving Fund	**-**	**-**	**-**	**-**	**-**	**-**
Gross Expenditures	501.1	455.1	348.9	394.5	*466.7*	**464.4**
Less: Respendable Revenues	219.0	196.0	212.5	212.5	*249.6*	**249.6**
IM/IT Services	**282.1**	**259.0**	**136.4**	**182.0**	***217.1***	**214.7**
Gross Expenditures	135.5	161.3	134.3	134.3	*134.3*	**195.9**
Less: Respendable Revenues	131.5	168.2	134.3	134.3	*134.3*	**196.6**
Telecommunications Services Revolving Fund	**4.0**	**(6.8)**	**-**	**-**	**-**	**(0.7)**
Gross Expenditures	11.9	10.7	10.8	10.9	*11.0*	**10.2**
Less: Respendable Revenues	4.8	3.4	2.2	2.2	*2.4*	**2.4**
Receiver General Services	**7.1**	**7.3**	**8.6**	**8.7**	***8.6***	**7.8**
Gross Expenditures	4.4	4.4	4.6	4.7	*5.7*	**5.5**
Less: Respendable Revenues	2.9	2.6	2.9	2.9	*3.4*	**3.4**
Public Service Compensation Services	**1.5**	**1.9**	**1.7**	**1.8**	***2.3***	**2.1**
Gross Expenditures	64.3	40.0	36.2	41.1	*19.0*	**20.3**
Less: Respendable Revenues	14.8	9.2	11.0	11.0	*5.8*	**5.8**
Government Information Services	**49.5**	**30.8**	**25.2**	**30.1**	***13.2***	**14.5**

Table 1 – Comparison to Actual Spending (including FTEs) (cont'd)

(in millions of dollars)

	Actual 2005-2006	Actual 2006-2007	2007-2008 Main Estimates	Planned Spending	*Total Authorities*	Actual
Quality Services (cont'd)						
Gross Expenditures	31.3	38.3	29.8	29.8	*46.5*	44.5
Less: Respendable Revenues	15.4	22.9	22.3	22.3	*28.2*	28.2
Business Integration Services	**15.9**	**15.5**	**7.5**	**7.5**	***18.3***	**16.4**
Gross Expenditures	103.2	71.4	53.7	53.7	*53.7*	35.3
Less: Respendable Revenues	103.6	71.9	53.7	53.7	*53.7*	35.3
Consulting and Audit Canada Revolving Fund	**(0.4)**	**(0.5)**	**-**	**-**	**-**	**-**
Gross Expenditures	51.4	58.2	55.7	55.7	*57.7*	57.8
Less: Respendable Revenues	-	-	-	-	-	-
Translation and Interpretation to Parliament, Conference Interpretation, Terminology	**51.4**	**58.2**	**55.7**	**55.7**	***57.7***	**57.8**
Gross Expenditures	195.7	211.7	214.9	214.9	*221.1*	218.6
Less: Respendable Revenues	204.9	207.1	214.9	214.9	*214.9*	215.3
Translation Bureau Revolving Fund	**(9.2)**	**4.6**	**-**	**-**	***6.2***	**3.3**
Gross Expenditures	-	-	-	-	*10.6*	10.2
Less: Respendable Revenues	-	-	-	-	-	-
Greening Government Operations Services	**-**	**-**	**-**	**-**	***10.6***	**10.2**
Total Quality Services	2,224.9	2,260.8	2,244.9	2,734.9	*2,159.7*	1,999.3
Sound Stewardship						
Gross Expenditures	58.8	53.3	43.7	44.1	*76.3*	70.4
Less: Respendable Revenues	1.7	2.0	1.9	1.9	*3.3*	3.3
Real Property Stewardship	**57.1**	**51.3**	**41.8**	**42.2**	***73.0***	**67.1**
Gross Expenditures	59.8	68.1	36.7	65.7	*67.5*	52.1
Less: Respendable Revenues	7.4	3.7	8.5	8.5	*4.7*	4.7
Supply Operations Stewardship	**52.4**	**64.4**	**28.2**	**57.2**	***62.8***	**47.4**
Gross Expenditures	14.5	15.0	13.9	14.1	*18.8*	15.0
Less: Respendable Revenues	3.2	0.8	0.6	0.6	*1.1*	1.1
IM/IT Stewardship	**11.3**	**14.2**	**13.3**	**13.5**	***17.7***	**13.9**
Gross Expenditures	130.5	146.0	143.6	144.0	*150.6*	146.1
Less: Respendable Revenues	14.2	18.0	13.4	13.5	*19.5*	19.5
Receiver General Stewardship	**116.3**	**128.0**	**130.3**	**130.5**	***131.1***	**126.6**
Gross Expenditures	35.2	39.7	30.4	30.7	*44.7*	43.4
Less: Respendable Revenues	6.9	7.8	3.8	3.8	*6.7*	6.7
Public Service Pay Stewardship	**28.3**	**31.9**	**26.6**	**26.9**	***38.0***	**36.7**
Gross Expenditures	68.1	75.9	55.7	56.9	*99.0*	97.5
Less: Respendable Revenues	48.9	52.6	37.9	37.9	*74.2*	74.2
Public Service Pension Stewardship	**19.2**	**23.3**	**17.8**	**19.0**	***24.8***	**23.3**
Gross Expenditures	10.2	20.3	17.5	17.5	*22.1*	21.5
Less: Respendable Revenues	0.2	-	-	-	-	-
Government Information Stewardship	**10.0**	**20.3**	**17.5**	**17.5**	***22.1***	**21.5**

Table 1 – Comparison to Actual Spending (including FTEs) (cont'd)

(in millions of dollars)

	Actual 2005-2006	Actual 2006-2007	2007-2008 Main Estimates	2007-2008 Planned Spending	2007-2008 Total Authorities	2007-2008 Actual
Gross Expenditures	44.3	40.7	34.4	34.4	*45.6*	45.6
Less: Respendable Revenues	38.2	34.6	29.9	30.0	*38.6*	38.6
Business Integration Performance Management	**6.1**	**6.1**	**4.5**	**4.4**	*7.0*	**7.0**
Gross Expenditures	2.5	2.4	2.4	2.4	*2.4*	2.4
Less: Respendable Revenues	-	-	-	-	-	-
Translation Stewardship	**2.5**	**2.4**	**2.4**	**2.4**	*2.4*	**2.4**
Gross Expenditures	-	6.2	11.1	10.5	*5.0*	**4.8**
Less: Respendable Revenues	-	5.4	4.7	4.8	*2.0*	**2.0**
Greening Government Operations Stewardship	**-**	**0.7**	**6.4**	**5.7**	*3.0*	**2.7**
Total Sound Stewardship	**303.2**	**342.6**	**288.8**	**319.3**	*381.9*	**348.6**
Gross Expenditures	4,850.2	5,031.2	4,622.3	5,142.9	*5,227.5*	**5,225.7**
Less: Respendable Revenues	2,322.1	2,427.9	2,088.6	2,088.7	*2,685.9*	**2,877.7**
DEPARTMENT TOTAL	**2,528.1**	**2,603.4**	**2,533.7**	**3,054.2**	*2,541.7*	**2,347.9**
Less: Non-Respendable revenues	67.4	63.8	20.9	20.9	*1,417.3*	**1,417.3**
Plus: Cost of services received without charge	53.5	60.2	38.3	38.3	*53.8*	**53.8**
NET COST OF DEPARTMENT	**2,514.2**	**2,599.8**	**2,551.1**	**3,071.6**	*1,178.2*	**984.4**
FULL-TIME EQUIVALENTS (FTEs)	**12,483**	**12,338**	**12,718**	**11,870**	*12,581*	**12,764**

Note 1: Totals may not add up due to rounding.

Table 2 – Voted and Statutory Items

(in millions of dollars)

Vote or Statutory Item	Vote or Statutory Wording	2007-2008 Total Main Estimates	2007-2008 Total Planned Spending	2007-2008 Total Authorities	2007-2008 Actual
1	Gross Expenditures	2,119.1	2,349.2	*2,084.7*	**1,937.9**
5	Capital expenditures	340.2	630.6	*343.8*	**304.8**
(S)	Minister of Public Works and Government Services - Salary and motor car allowance	0.1	0.1	*0.1*	**0.1**
(S)	Contributions to employee benefit plans	82.3	82.3	*110.3*	**110.3**
(S)	Real Property Services Revolving Fund	-	-	-	**(0.5)**
(S)	Real Property Disposition Revolving Fund	(8.0)	(8.0)	(8.0)	**(8.7)**
(S)	Optional Services Revolving Fund	-	-	-	**(3.3)**
(S)	Telecommunications and Informatics Common Services Revolving Fund	-	-	-	**(0.7)**
(S)	Consulting and Audit Canada Revolving Fund	-	-	-	-
(S)	Translation Bureau Revolving Fund	-	-	6.2	**3.3**
(S)	Defence Production Revolving Fund	-	-	-	-
(S)	Payment in lieu of taxes to municipalities and other taxing authorities	-	-	*1.6*	**1.6**
(S)	Refunds of amounts credited to revenue in previous years	-	-	*2.7*	**2.7**
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	-	*0.5*	**0.4**
DEPARTMENT TOTAL		2,533.7	3,054.2	*2,541.8*	**2,347.9**

(S) = Statutory
Note 1: Total Planned Spending is the amount included in the Department's 2007-2008 Report on Plans and Priorities and indicates amounts planned at the beginning of the year.
Note 2: Total Authorities include the 2007-2008 Main Estimates plus Supplementary Estimates, transfers from Treasury Board Votes (5 - Government Contingencies: 10 - Government-Wide Initiatives: 15 - Compensation Adjustments: 22 - Operating Budget Carry Forward: 23 - Paylist requirements)
Note 3: Totals may not add up due to rounding.

Table 3 – Details on Transfer Payment Programs (TPPs)

(in millions of dollars)

Details on Transfer Payment Programs	Actual 2005-2006	Actual 2006-2007	2007-2008 Planned Spending	2007-2008 Total Authorities	2007-2008 Actual
GOVERNMENT SERVICES					
Federal Accommodation and Holdings					
GRANTS					
Municipalities and Other Taxing Authorities (Note 1)	1.16	(0.27)	-	*1.60*	**1.60**
	1.16	(0.27)	-	*1.60*	**1.60**
CONTRIBUTIONS					
Argentia Management Authority (Note 2)	4.00	1.25	-	-	-
Divestiture of the Trois-Rivières harbourfront park (Note 2)	5.07	-	-	-	-
Divestiture of the 3 Dams (Laniel, Kipawa and Des Quinze)	-	44.12	-	-	-
Canadian Standards Association	-	0.01	-	-	-
	9.07	45.38	-	-	-
TOTAL FEDERAL ACCOMMODATION AND HOLDINGS	10.23	45.11	-	*1.60*	**1.60**
Total Transfer Payments	10.23	45.11	-	*1.60*	**1.60**

Note 1: Funding for Payments to Municipalities and Other Taxing Authorities was devolved to the applicable custodial departments. The figures reported represent payments not recovered by year-end from custodial clients.
Note 2: The 2005-2006 Actual amount was adjusted to reflect the amount published in the 2005-2006 Public Accounts of Canada.
Note 3: Totals may not add up due to rounding.

On-line Information

Further information on the following tables 4 to 16, can be found at: http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Table 4 – Loans, Investments, and Advances (Non-budgetary)

Table 5 – Sources of Respendable and Non-Respendable Revenue

Table 6 – Revolving Funds

Table 7 – User Fees/External Fees

- Table 7–A: User Fees Act
- Table 7–B: Policy on Service Standards for External Fees

Table 8 – Details on Project Spending

Table 9 – Status Report on Major Crown Projects

We are undertaking three Major Crown Projects to ensure quality services for Canadians and sound stewardship of public assets. Supplementary information can be found at: http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp. However, a short description follows for:

A: Parliamentary Precinct Project

B: Pension Modernization Project

C: Shared Travel Services Initiative

A. Parliamentary Precinct Project

i. Long-Term Vision and Plan

Maintaining the Parliamentary Precinct for future generations is a vital service to Canadians. In order to fulfill this responsibility and further our goals of providing quality services and sound stewardship, we worked with the Senate, the House of Commons and the Library of Parliament to revise the Long-Term Vision and Plan (LTVP) for the Parliamentary Precinct. The

revised LTVP is comprised of five-year program cycles that are more responsive to changing market and building conditions. The plan was approved by Cabinet in June 2007 and established a comprehensive approach to rehabilitate the heritage buildings, provide additional parliamentary accommodations and create a secure and welcoming environment for parliamentarians, staff, visitors and tourists.

ii. Parliamentary Precinct Project - West Block Renovation Program

The critical first step in the LTVP strategic direction is the full rehabilitation of the West Block. The West Block Renovation Program will transform the West Block and restore the elegance of this significant heritage building. It will pave the way for the Parliamentary Precinct to be used well into the future.

iii. Parliamentary Precinct Project - Wellington Building Renovation Project

The Wellington Building, located at 180 Wellington Street, Ottawa is a recognized federal heritage building and key Parliament Hill asset. Renovations of the building are required for health and safety reasons and involve extensive exterior and interior work. The building and life safety systems are more than 40 years old and have long surpassed their life expectancy. Renovations will include: removing asbestos; upgrading obsolete building systems; meeting new seismic and environmental standards; reinforcing the structure, restoring the stonework and renovating the interior space. The renovated Wellington Building will provide interim accommodations for parliamentarians, as well as committee rooms.

B. Pension Modernization Project

The Government of Canada Pension Modernization Project (GCPMP) is a major component of PWGSC's Transformation of Pension Administration agenda. The purpose of this project is to renew our pension administration systems and services and transform our business processes. This will allow PWGSC to provide industry-standard pension administration services to employees, employers and pensioners. The GCPMP began its implementation phase following receipt of Effective Project Approval from Treasury Board in June 2007. The project team is currently completing the design for the first release of the new pension system in the fall of 2008. Preparations for the replacement of the current systems used for administering pension accounts for active members will be fully implemented in July 2010. The GCPMP will also replace the current systems used for administering pension accounts for retired members. The project is on time, under budget and the implementation of all new system releases and business processes is expected to be completed in early 2012.

C. Shared Travel Services Initiative

Our implementation of the Shared Travel Services Initiative (STSI) was a successful highlight of 2007-2008. This corporate travel management services initiative allows government employees to reduce their travel costs through bulk buying and tools such as on-line booking. Such investments in technology are critical to minimize costs of doing government business and return value to Canadian taxpayers. STSI offers fully functional, comprehensive and seamlessly integrated travel services to employees travelling on government business, and allows for better travel expense management. Travel services include the following: full-service travel call centre; on-line pre-trip approvals; on-line reservation service; travel expense claim service; business

intelligence service; employee portal; employee traveler service network; and travel credit card.

Table 10 – Foundations (Conditional Grants)

Table 11 – Horizontal Initiatives

PWGSC is carrying out two horizontal initiatives of great importance to Canadians: the Sydney Tar Ponds Remediation Project and the Government of Canada Marketplace. A short description of these initiatives follows, and supplementary information can be found at http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp.

The first initiative addresses the cleaning up the Sydney Tar Ponds and Coke Ovens through the remediation of federally and provincially owned lands that were contaminated as a result of a century of manufacturing steel. The sites are located in the centre of Sydney, Nova Scotia and are considered to be a stain on the area's world-renowned reputation as a natural masterpiece. The project is in support of the federal government's sustainable development initiative, recognizing the environmental, social and economic dimensions of the Sydney area. The project will have long-term benefits for all Canadians. The website for the provincial agency delivering the project (Sydney Tar Ponds Agency) is http://www.tarpondscleanup.ca. The website for the Canadian Environmental Assessment Agency is http://www.ceaa-acee.gc.ca/050/viewer_e.cfm?cear_id=8989#Documents.

Our second horizontal initiative, the Government of Canada Marketplace (GoCM), is an electronic catalogue that enables departments and agencies to search for goods and services available through PWGSC standing offers and supply arrangements and to generate order forms for the selected goods and services. E-tools, such as the GoCM, support the Government of Canada Procurement Renewal by automating and simplifying purchasing processes, facilitating standardized reporting on purchasing activities, and maintaining high levels of transparency and accountability. For more information on the GoCM see http://www.tpsgc-pwgsc.gc.ca/app-acq/cae-esc/mdgc-gocm-eng.html.

Table 12 – Sustainable Development Strategy

PWGSC is ensuring a better future for Canadians through greening initiatives. Due to our large and varied portfolio, we make a significant contribution to the development of and support for a more sustainable and healthy environment, while pursuing cost-saving opportunities. By improving resource efficiency, reducing waste, and cutting energy and emissions, we also produce cost savings for taxpayers. Through the commitments in our Sustainable Development Strategy (SDS), PWGSC leverages our expertise and experience to help make the Government of Canada's operations more environmentally, socially and economically sustainable. Specifically, PWGSC phased out 20 of the 47 chlorofluorocarbon (CFC)-containing heating, ventilation, and air-conditioning units. We have also implemented multi-material recycling in 284 of 292 (97%) of Crown-owned facilities, where the infrastructure exists and where recycling is economically feasible. Three new office construction projects are registered with the Canadian Green Building Council and have or are awaiting their LEED® Gold certification: the Greenstone Building in Yellowknife, the Normand Maurice Building in Montréal and the Jean Canfield Building in Charlottetown. More information on SDS 2007 is

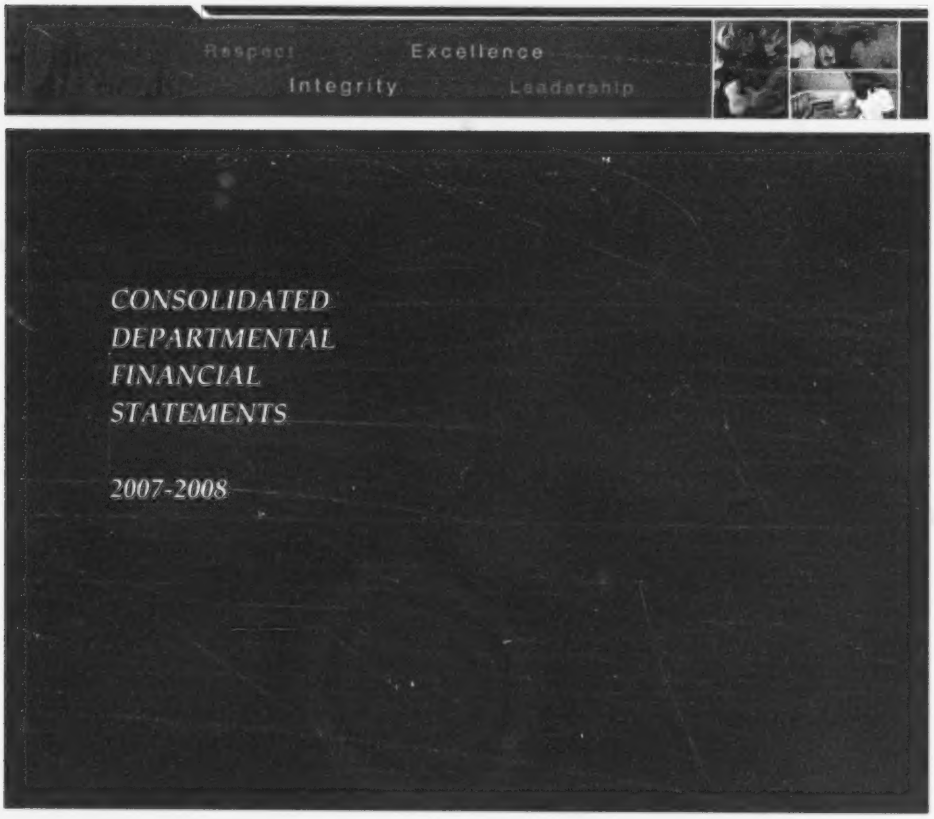
available at: http://www.tpsgc-pwgsc.gc.ca/sd-env/sds2007/strategy/sdd-sds2007-tc-e.html and http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html.

Table 13 – Response to Parliamentary Committees and External Audits

Table 14 – Internal Audits and Evaluations

Table 15 – Travel Policies

Table 16 – Financial Statements of Departments and Agencies (including Agents of Parliament) and Revolving Funds Financial Statements



Public Works and Government Services Canada

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying consolidated financial statements for the year ended March 31, 2008 and all information contained in these statements rests with Public Works and Government Services Canada (PWGSC) management. These consolidated financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these consolidated financial statements. Some of the information in the consolidated financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of PWGSC financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in PWGSC's *Departmental Performance Report* is consistent with these consolidated financial statements.

Management is supported by the Department's Audit and Evaluation Committee, which ensures that the Deputy Minister of Public Works and Government Services Canada has independent and objective advice, guidance, and assurance on the adequacy of the department's risk management, control, and governance processes. The Committee reinforces the independence of the internal audit and evaluation functions. The Committee's oversight responsibilities extend to other core areas of departmental control and accountability including values and ethics, risk management and management control framework.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of government funds. Management also seeks to ensure the objectivity and integrity of data in its consolidated financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout PWGSC.

The consolidated financial statements of PWGSC have not been audited.

François Guimont, Deputy Minister
Public Works and Government Services Canada

Gatineau, Canada

AUG 0 8 2008
Date

Mike Hawkes, Chief Financial Officer
Public Works and Government Services Canada

Gatineau, Canada

JUL 2 1 2008
Date

Public Works and Government Services Canada

Consolidated Statement of Operations *(Unaudited)*

For the year ended March 31

(in thousands of dollars)

	2008	2007 *Restated (Note 16)*
Expenses *(Note 4)*		
Real Property	3,138,136	3,175,980
Information Technology	624,938	530,960
Acquisitions	372,152	377,654
Receiver General and Public Service Compensation	242,029	273,866
Translation Bureau	204,955	212,453
Audit Services Canada	74,810	58,739
Business Integration	38,715	39,692
Consulting, Information and Shared Services	37,709	68,314
Greening Government Operations	4,758	2,047
Total expenses	4,738,202	4,739,705
Revenues *(Note 5)*		
Real Property	2,509,423	1,417,344
Information Technology	294,972	232,875
Acquisitions	193,826	166,837
Translation Bureau	143,173	132,456
Receiver General and Public Service Compensation	104,287	86,101
Audit Services Canada	24,611	60,054
Business Integration	22,865	18,882
Consulting, Information and Shared Services	5,290	9,390
Greening Government Operations	1,315	712
Total revenues	3,299,762	2,124,651
Net cost of operations	1,438,440	2,615,054

The accompanying notes form an integral part of these consolidated financial statements.

Public Works and Government Services Canada

Consolidated Statement of Financial Position *(Unaudited)*

At March 31

(in thousands of dollars)

	2008	2007 *Restated (Note 16)*
Assets		
Financial assets		
Accounts receivable and advances *(Note 6)*	434,111	407,655
Inventory held for resale	5,357	5,304
Seized Property Working Capital Account	16,520	17,461
	455,988	430,420
Non-financial assets		
Prepaid expenses	6,502	7,537
Tangible capital assets *(Note 7)*	4,437,966	4,356,929
	4,444,468	4,364,466
Total assets	4,900,456	4,794,886
Liabilities and Equity of Canada		
Liabilities		
Accounts payable and accrued liabilities *(Note 8)*	516,801	615,804
Other liabilities *(Note 9)*	77,019	80,337
Lease obligation for tangible capital assets *(Note 10)*	1,803,179	1,258,966
Vacation pay and compensatory leave	52,029	46,420
Employee severance benefits *(Note 11)*	184,213	185,433
Contingent liabilities *(Note 12)*	319,023	324,155
Lease inducements	27,047	27,391
	2,979,311	2,538,506
Equity of Canada (Note 15)	1,921,145	2,256,380
Total liabilities and equity of Canada	4,900,456	4,794,886

Contingent liabilities (disclosed, not accrued) *(Note 12)*
Contractual obligations *(Note 13)*

The accompanying notes form an integral part of these consolidated financial statements.

Public Works and Government Services Canada

Consolidated Statement of Equity of Canada *(Unaudited)*

For the year ended March 31

(in thousands of dollars)

	2008	2007 *Restated (Note 16)*
Equity of Canada, beginning of year - restated	**2,256,380**	2,202,701
Net cost of operations	**(1,438,440)**	(2,649,829)
Change in accounting policy *(Note 16 a)*	**-**	35,306
Restatement of tangible capital assets *(Note 16 b)*	**-**	(531)
Net cost of operations	**(1,438,440)**	(2,615,054)
Current year appropriations used *(Note 3)*	**2,347,228**	2,605,650
Revenue not available for spending *(Note 3)*	**(63,504)**	(49,162)
Proceeds on sale-leaseback transactions for operating leases *(Note 7)*	**(866,122)**	-
Proceeds on sale-leaseback transactions for capital leases *(Note 7)*	**(487,194)**	-
Transfer of activities	**-**	3,132
Change in net position in the Consolidated Revenue Fund *(Note 3)*	**119,030**	48,825
Services received without charge from other government departments *(Note 14)*	**53,767**	60,288
Equity of Canada, end of year *(Note 15)*	**1,921,145**	2,256,380

The accompanying notes form an integral part of these consolidated financial statements.

Public Works and Government Services Canada

Consolidated Statement of Cash Flow *(Unaudited)*

For the year ended March 31

(in thousands of dollars)

	2008	2007 *Restated (Note 16)*
Operating activities		
Net cost of operations	1,438,440	2,615,054
Non cash items:		
Amortization of tangible capital assets *(Note 7)*	(380,103)	(371,520)
Gain or Loss on disposals / Adjustments of tangible capital assets	(154)	(73,218)
Services received without charge from other government departments *(Note 14)*	(53,767)	(60,288)
Transfer of activities	-	(3,132)
Holding gain on Sale-leaseback	734,352	-
Economic loss on Sale-leaseback	(4,690)	-
Variations in Consolidated Statement of Financial Position:		
Increase in financial assets	25,568	82,251
Increase (decrease) in prepaid expenses	(1,035)	1,301
(Increase) decrease in liabilities other than lease obligation for tangible capital assets	103,408	(32,860)
Cash used by operating activities	1,862,019	2,157,588
Capital investment activities		
Acquisitions of tangible capital assets *(Note 7)*	430,406	361,665
Payments on lease obligation for tangible capital assets	110,496	86,201
Proceeds on sale-leaseback transactions for operating leases *(Note 7)*	(866,122)	-
Proceeds on disposal of tangible capital assets	(167)	(141)
Cash used by capital investment activities	(325,387)	447,725
Financing activities		
Proceeds on sale-leaseback transactions for capital leases *(Note 7)*	(487,194)	-
Net cash provided by Government of Canada	(1,049,438)	(2,605,313)
Cash used by financing activities	(1,536,632)	(2,605,313)

The accompanying notes form an integral part of these consolidated financial statements.

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

1. Authority and objectives

The department of Public Works and Government Services Canada (PWGSC) was established effective June 20, 1996, under the *Department of Public Works and Government Services Act*. This legislation specifies that PWGSC shall provide common, central and shared services to other government departments and agencies, thereby enabling them to provide programs and services to Canadians. These services are grouped into the following key areas:

- Real Property provides accommodation to federal departments and agencies. It acquires, manages, operates, maintains, builds, repairs and disposes of federal real property in addition to providing professional advice on real property matters to other federal real property custodians;
- Acquisitions offers client departments and agencies a broad base of procurement solutions, such as specialized contracts, standing offers, supply arrangements and electronic marketplaces as well as specialized services such as the management of seized property;
- Information Technology provides a wide range of informatics and telecommunications services to federal departments and agencies, such as providing brokering, developing and/or managing voice and data networks, data centres, distributed computing, applications, Secure Channel and information management;
- Receiver General and Public Service Compensation manages the operations of the federal treasury, including payment issue and revenue collection for all government departments, provides payroll, benefits and pension plan administration services for the Public Service of Canada and prepares the *Public Accounts of Canada*;
- Consulting, Information and Shared Services provides services aimed at enhancing activities related to communication programs to the public, and provides government consulting services to public sector management. They also deliver corporate administrative services for small departments and agencies, as well as industrial security services for the safeguarding of controlled goods and classified government information and assets;
- Greening Government Operations leads government departments in the greening of their operations by establishing government-wide priorities, accountabilities, and sets targets, timelines and reporting requirements;
- Business Integration delivers directly, or facilitates the delivery of, integrated services to customer departments including: management and delivery of the personnel and facility security screening program and the controlled goods program; integration of the delivery of PWGSC's wide range of services when customer departments require an integrated solution for a complex project; management and delivery of marketing and multimedia services; and, identification and coordination of shared services opportunities;

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

1. Authority and objectives *(continued)*

- Audit Services Canada provides auditing services to federal departments and agencies as well as to other governments and international organizations;
- The Translation Bureau helps the government serve Canadians and communicate with them in the official language of their choice by standardizing terminology within the public service and providing translation, revision, interpretation, terminology and technolinguistic services for Parliament, the judiciary, and federal entities.

2. Summary of significant accounting policies

The consolidated financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations

PWGSC is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to PWGSC do not parallel financial reporting according to Canadian generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the Consolidated Statement of Operations and the Consolidated Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Consolidation

These consolidated financial statements include the accounts of seven revolving funds as listed below. Each revolving fund prepares a complete set of financial statements annually that are audited and published in the *Public Accounts of Canada*. The accounts of these revolving funds have been consolidated with those of PWGSC and inter-organizational balances and transactions have been eliminated.

The PWGSC revolving funds are as follows:

- Consulting and Audit Canada Revolving Fund
- Defence Production Revolving Fund
- Optional Services Revolving Fund
- Real Property Disposition Revolving Fund
- Real Property Services Revolving Fund
- Telecommunications and Informatics Common Services Revolving Fund
- Translation Bureau Revolving Fund

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

2. Summary of significant accounting policies *(continued)*

(c) Net cash provided by Government

PWGSC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by PWGSC is deposited to the CRF and all cash disbursements made by PWGSC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(d) Change in net position in the Consolidated Revenue Fund

This is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by PWGSC. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(e) Revenues

- Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenue.
- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
- Holding gains resulting from sale-leaseback transactions are recognized as revenue in the Consolidated Statement of Operations since PWGSC no longer substantially retains all benefits and risks incidental to ownership of the properties.

(f) Expenses

Expenses are recorded on the accrual basis of accounting:

- Services provided without charge by other government departments for the employer's contribution to the health and dental insurance plans, worker's compensation and legal services are recorded as operating expenses at their estimated cost.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Grants are recognized in the year in which the conditions of payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives Parliamentary approval prior to the completion of the consolidated financial statements.
- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Economic losses or gains resulting from sale-leaseback transactions involving leased tangible capital assets are recognized immediately in the Consolidated Statement of Operations so that the net effect on operating results reflects the cost or benefit to the department of having to repay more or less than it was loaned.

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

2. Summary of significant accounting policies *(continued)*

(g) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. The department's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the department to make contributions for actuarial deficiencies of the Plan.

(ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(h) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(i) Lease inducements

Lease inducements represent incentives received by PWGSC to enter into a lease. Lease inducements include incentives such as: free rent, cash received to be applied to rent, lump sum cash, leasehold improvements and moving costs paid by lessor. The lease inducements are accounted for as follows:

- Rent free periods or periods of significantly reduced rent are allocated over the term of the lease on a straight-line basis;
- Cash payments from the lessor to the lessee are accounted for as reductions in rental expense over the term of the lease;
- Leasehold improvements are amortized over the remaining life of the lease or the useful life of the improvement, whichever is shorter;
- Moving costs absorbed by the lessor are amortized over the term of the lease.

(j) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements.

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

2. Summary of significant accounting policies *(continued)*

(k) Environmental liabilities

Environmental liabilities reflect the estimated costs related to the management and remediation of environmentally contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when the department becomes aware of the contamination and is obligated, or is likely to be obligated to incur such costs. If the likelihood of the department's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the consolidated financial statements.

(l) Inventories

Inventories held for resale are physical items that will be sold in the future in the ordinary course of business to parties outside of the government reporting entity.

(m) Tangible capital assets

Betterments and leasehold improvements carried out on buildings and works and infrastructure having an initial cost of $25,000 or more are recorded at their acquisition cost. All other tangible capital assets having an initial cost of $10,000 or more are recorded at their acquisition cost.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of each asset as follows:

Asset class	Amortization period
Buildings	25 years
Works and infrastructure	40 years
Machinery and equipment	3 to 20 years
Informatics hardware and software	3 to 5 years
Vehicles	7 to 8 years
Leasehold improvements	Lesser of the remaining term of the lease or useful life of the improvement
Assets under construction	Once in service, in accordance with asset class
Leased tangible capital assets	In accordance with asset class if ownership is likely to transfer to PWGSC; otherwise, over the lease term

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

2. Summary of significant accounting policies *(continued)*

(n) Measurement uncertainty

The preparation of these consolidated financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements. At the time of preparation of these consolidated statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, environmental liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the consolidated financial statements in the year they become known.

(o) Seized Property Working Capital Account

This account was established by section 12 of the *Seized Property Management Act*. Expenses incurred, and advances made, to maintain and manage any seized or restrained property and other properties subject to a management order or forfeited to Her Majesty, are charged to this account. This account is credited when expenses and advances to third parties are repaid or recovered and when revenues from these properties or proceeds of their disposal are received and credited with seized cash upon forfeiture.

The total amount authorized to be outstanding in the Seized Property Working Capital Account at any time is $50,000,000.

Any shortfall between the proceeds from the disposition of any property forfeited to Her Majesty and the amounts that were charged to this account and that are still outstanding, is charged to a Seized Property Proceeds Account and credited to this account.

(p) Payments in lieu of taxes to municipalities and other taxing authorities

PWGSC administers the Payments in Lieu of Taxes Program on behalf of all federal departments and agencies under the authority of the *Payments in Lieu of Taxes Act*.

In accordance with the *Constitution Act*, the Government of Canada is exempt from property taxes. The Government of Canada voluntarily pays an appropriate share of the costs of local government to municipalities and other taxation authorities having jurisdiction to levy and collect real property tax in locations where federal lands and buildings are situated.

The payments are made to the taxing authorities by PWGSC and are then recovered from each participating federal department.

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

3. Parliamentary appropriations

PWGSC receives most of its funding through annual Parliamentary appropriations. Items recognized in the Consolidated Statement of Operations and the Consolidated Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years.

Accordingly, PWGSC has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

3. Parliamentary appropriations *(continued)*

(a) Reconciliation of net cost of operations to current year appropriations used

(in thousands of dollars)	2008	2007 *Restated (Note 16)*
Net cost of operations	**1,438,440**	2,615,054
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (less):		
Amortization of tangible capital assets *(Note 7)*	**(380,103)**	(371,520)
Reclassification of assets under construction	**(62,990)**	(73,786)
Services received without charge from other government departments *(Note 14)*	**(53,767)**	(60,288)
Justice Canada legal services	**-**	(5,286)
Decrease (increase) in lease inducements	**(2,567)**	(2,306)
Revenue (expenses) from Seized Property Proceeds Account *(Note 15)*	**794**	(4,375)
Vacation pay and compensatory leave	**5,609**	(3,671)
Employee severance benefits	**(1,220)**	4,198
Revenue not available for spending	**63,504**	49,162
Refunds / Adjustments to previous years' expenses	**19,314**	7,998
Decrease (increase) in contingent liabilities	**5,132**	(4,106)
Holding gain on Sale-leaseback *(Note 7)*	**734,352**	-
Economic loss on Sale-leaseback *(Note 7)*	**(4,690)**	-
Other	**9,940**	(4,971)
	333,308	(468,951)
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add:		
Acquisitions of tangible capital assets *(Note 7)*	**430,406**	361,665
Acquisitions of assets under construction for capital leases *(Note 7)*	**31,113**	-
Payments on lease obligation for tangible capital assets	**110,496**	86,201
Other	**3,465**	11,681
	575,480	459,547
Current year appropriations used	**2,347,228**	2,605,650

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

3. Parliamentary appropriations *(continued)*

(b) Appropriations provided and used

(in thousands of dollars)	2008	2007
Vote 1 - Operating expenditures	2,084,705	2,365,357
Vote 5 - Capital expenditures	343,836	297,954
Vote 10 - Grants and contributions	-	45,402
Statutory items:		
Revolving Funds	382,798	378,543
Other	115,274	110,090
Appropriations provided	2,926,613	3,197,346
Less:		
Appropriations available for future years	(384,032)	(381,751)
Lapsed appropriations	(194,411)	(212,152)
Current year budgetary appropriations used	2,348,170	2,603,443
Seized Property Management Act	(942)	2,207
Current year appropriations used	2,347,228	2,605,650

(c) Reconciliation of net cash provided by Government to current year appropriations used

(in thousands of dollars)	2008	2007 *Restated (Note 16)*
Net cash provided by Government	1,049,438	2,605,313
Revenue not available for spending	63,504	49,162
Proceeds on sale-leaseback transactions for operating leases *(Note 7)*	866,122	-
Proceeds on sale-leaseback transactions for capital leases *(Note 7)*	487,194	-
Change in net position in the Consolidated Revenue Fund		
Change in financial assets	(25,568)	(82,251)
Change in prepaid expenses	1,035	(1,301)
Change in accounts payable and accrued liabilities	(99,003)	20,397
Change in other liabilities	(3,318)	7,156
Refunds / Adjustments to previous years' expenses	19,314	7,998
Other adjustments	(11,490)	(824)
	(119,030)	(48,825)
Current year appropriations used	2,347,228	2,605,650

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

4. Expenses

The following table presents details of expenses by category:

(in thousands of dollars)	2008	2007 *Restated (Note 16)*
Payments in lieu of taxes to municipalities and other taxing authorities	**458,550**	468,132
Recovery of Payments in lieu of taxes to municipalities and other taxing authorities	**(458,600)**	(468,073)
Other grants and contributions	**-**	45,385
Total grants and contributions	**(50)**	45,444
Cost of goods sold for inventories	**1,131,201**	1,080,155
Salaries and employee benefits	**1,100,005**	1,098,379
Rentals	**759,111**	695,700
Professional and special services	**450,006**	435,380
Repair and maintenance	**420,259**	413,151
Amortization of tangible capital assets	**380,103**	371,520
Interest on capital lease payments and other	**111,952**	99,665
Utilities, material and supplies	**92,015**	96,942
Transportation and communications	**77,981**	78,522
Reclassification of assets under construction	**62,990**	73,786
Machinery and equipment	**50,563**	31,193
Other expenses	**48,282**	173,157
Expenses from Seized Property Proceeds Account *(Note 15)*	**28,754**	26,382
Information	**15,543**	15,020
Legal services	**4,797**	5,309
Economic loss on Sale-leaseback *(Note 7)*	**4,690**	-
Total operating expenses	**4,738,252**	4,694,261
Total expenses	**4,738,202**	4,739,705

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

5. Revenues

The following table presents details of revenues by category:

(in thousands of dollars)	2008	2007
Services of a non-regulatory nature	1,073,788	766,470
Sales of goods and information products	885,423	818,287
Holding gain on Sale-leaseback *(Note 7)*	734,352	-
Rentals	423,666	390,111
Services of a regulatory nature	106,742	80,647
Other revenues	46,101	46,989
Revenue from Seized Property Proceeds Account *(Note 15)*	29,548	22,007
Gain on disposal of capital assets	142	140
Total revenues	3,299,762	2,124,651

Services of a non-regulatory nature are mainly comprised of special accommodation and real property services, real property project management services, information technology and telecommunication services, translation services, professional services for consulting and audit services as well as traffic management and central freight.

Services of a regulatory nature are mainly comprised of cost recovery for services provided to administer the *Public Service Superannuation Act (PSSA)* and for payment services for Receiver General functions.

6. Accounts receivable and advances

The following table presents details of accounts receivable and advances:

(in thousands of dollars)	2008	2007
Accounts receivable from other government departments and agencies	352,848	324,506
Accounts receivable from external parties	84,557	83,184
Other advances	617	617
	438,022	408,307
Less: Allowance for doubtful accounts on external receivables	(3,911)	(652)
Total	434,111	407,655

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

7. Tangible capital assets

(in thousands of dollars)	Cost			
	Opening balance *Restated (Note 16)*	Acquisitions	Disposals, write-offs and other adjustments	Closing balance
Tangible capital assets				
Land	264,731	-	(67,113)	**197,618**
Buildings	3,440,162	-	(318,191)	**3,121,971**
Works and infrastructure	860,921	-	631	**861,552**
Machinery and equipment	5,956	117	(10)	**6,063**
Informatics hardware and software	190,247	4,549	2,222	**197,018**
Vehicles	9,605	999	(769)	**9,835**
Leasehold improvements	342,650	1,425	62,036	**406,111**
Assets under construction	956,235	423,316	(276,553)	**1,102,998**
	6,070,507	430,406	(597,747)	**5,903,166**
Leased tangible capital assets				
Land	44,942	-	-	**44,942**
Buildings	1,630,902	165,700	129,150	**1,925,752**
Informatics equipment	13,093	-	(8,407)	**4,686**
Assets under construction	-	31,113	34,003	**65,116**
	1,688,937	196,813	154,746	**2,040,496**
Total	7,759,444	627,219	(443,001)	**7,943,662**

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

7. Tangible capital assets *(continued)*

	Accumulated amortization				Net Book Value	
(in thousands of dollars)	Opening balance *Restated (Note 16)*	Amortization	Disposals, write-offs and other adjustments	Closing balance	2008	2007 *Restated (Note 16)*
Tangible capital assets						
Land	-	-	-	-	197,618	264,731
Buildings	2,126,513	160,982	(206,589)	2,080,906	1,041,065	1,313,649
Works and infrastructure	334,414	23,574	(17)	357,971	503,581	526,507
Machinery and equipment	3,515	406	(10)	3,911	2,152	2,441
Informatics hardware and software	140,719	21,087	909	162,715	34,303	49,528
Vehicles	4,991	926	(638)	5,279	4,556	4,614
Leasehold improvements	162,686	44,013	929	207,628	198,483	179,964
Assets under construction	-	-	-	-	1,102,998	956,235
	2,772,838	250,988	(205,416)	2,818,410	3,084,756	3,297,669
Leased tangible capital assets						
Land	-	-	-	-	44,942	44,942
Buildings	624,413	127,036	(65,731)	685,718	1,240,034	1,006,489
Informatics equipment	5,264	2,079	(5,775)	1,568	3,118	7,829
Assets under construction	-	-	-	-	65,116	-
	629,677	129,115	(71,506)	687,286	1,353,210	1,059,260
Total	3,402,515	380,103	(276,922)	3,505,696	4,437,966	4,356,929

Amortization expense for the year ended March 31, 2008 is $380,102,872 ($371,519,675 in 2007).

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

7. Tangible capital assets *(continued)*

On October 31, 2007, PWGSC entered into a sale-leaseback agreement for seven buildings resulting in gross proceeds of $1,353,315,920. The leases provide for the lessor to make certain capital improvements to the properties to the benefit of the lessee. These improvements will be recognized as lease inducements as they occur, resulting in a total sale price of $1,411,087,830. As a result of the transaction:

- Four buildings, for proceeds amounting to $487,193,731, were treated as capital leases and are reflected in the lease obligation for tangible capital assets (Note 10). The economic loss of $4,689,777 resulting from the transaction is presented in Expenses (Note 4).
- Three buildings, for proceeds amounting to $866,122,189, were treated as operating leases and are reflected in contractual obligations (Note 13). The holding gain of $734,351,864 resulting from the transaction is presented in Revenues (Note 5).

8. Accounts payable and accrued liabilities

The following table presents details of accounts payable and accrued liabilities:

(in thousands of dollars)	2008	2007
Accounts payable and accrued liabilities	403,795	505,752
Accrued salaries and wages	41,450	38,033
Contractors' holdbacks and other	33,542	35,515
Accounts payable to other government departments and agencies	38,014	36,504
Total	**516,801**	615,804

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

9. Other liabilities

The following table presents details of other liabilities:

(in thousands of dollars)	2007	Receipts and credits	Payments and charges	2008
Seized property - cash	73,645	35,779	(40,235)	**69,189**
Deposits on disposals	262	10,068	(9,690)	**640**
Contractors' security deposits	5,400	6,507	(5,661)	**6,246**
Francophone summits	30	-	(11)	**19**
Credit card special project fund	1,000	-	(75)	**925**
Total	80,337	52,354	(55,672)	**77,019**

Seized property - cash

This account was established pursuant to the *Seized Property Management Act,* to record seized cash. These funds will be deposited to the Consolidated Revenue Fund and credited to the account until returned to the owner or forfeited.

Deposits on disposals

This account was established in accordance with the terms and conditions of the Real Property Disposition Revolving Fund to record receipts on future disposals of properties that are not closed at the end of the year.

Contractors' security deposits

This account was established to record contractors' securities that are required for the satisfactory performance of work in accordance with the Government Contract Regulations.

Francophone summits

This account was established to record funding granted since 1994 by the Agence intergouvernementale de la Francophonie (Paris), which changed its name in 2006 to the Organisation internationale de la Francophonie, for projects involving the development of French and partner languages in order to express scientific and technical modernity.

Credit card - special project fund

This account was established to record funds received from American Express (AMEX) to improve the Travel Card Program.

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

10. Lease obligation for tangible capital assets

PWGSC has entered into agreements to rent buildings, land and information technology equipment under capital leases with a cost of $2,040,496,646 and accumulated amortization of $687,285,853 as at March 31, 2008 ($1,688,937,677 and $629,677,336 respectively as at March 31, 2007) (Note 7). The obligations for the upcoming years include the following:

(in thousands of dollars)	2008	2007
2008	-	201,698
2009	238,213	189,135
2010	233,295	184,252
2011	242,617	193,470
2012	214,524	165,142
2013 and thereafter	1,850,139	988,425
Total future minimum lease payments	2,778,988	1,922,122
Less: Imputed interest (weighted average implicit rate 6.942% (8.196% in 2007))	(975,809)	(663,156)
Present value of obligation under leased tangible capital assets	1,803,179	1,258,966

On October 31, 2007 PWGSC entered into an agreement for the sale-leaseback of seven buildings for gross proceeds of $1,353,315,920. Of the seven buildings, four were treated as capital leases and are reflected in PWGSC's long-term capital lease obligations for a total amounting to $489,400,478 as at March 31, 2008. This amount is included in the total future minimum lease payments of $2,778,988,000.

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

11. Employee benefits

(a) Pension benefits

PWGSC employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plan benefits and they are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. The 2007-2008 expense amounts to $108,548,526 ($109,043,987 in 2006-2007), which represents approximately 2.1 times (2.2 times in 2007) the contributions by employees.

PWGSC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the consolidated financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

The department provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations and revolving funds. Information about the severance benefits, measured as at March 31 is as follows:

(In thousands of dollars)	2008	2007 *Restated (Note 16)*
Accrued benefit obligation, beginning of year	**185,433**	181,235
Transfer of activities	-	(942)
Expense for the year	**20,421**	25,509
Benefits paid during the year	**(21,641)**	(20,369)
Accrued benefit obligation, end of year	**184,213**	185,433

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

12. Contingent liabilities

(a) Environmental liabilities - Contaminated sites

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where PWGSC is obligated or likely to be obligated to incur such costs. The department has identified approximately 215 sites (209 in 2007) where such action is possible and for which a liability of $310,523,035 ($320,154,947 in 2007) has been recorded. Of this amount, $271,425,194 ($280,817,000 in 2007) is related to environmental remediation activity for the Sydney Tar Ponds and Coke Ovens remediation project. PWGSC has estimated additional clean-up costs of $134,713,156 ($141,215,487 in 2007) that are not accrued, as these are not considered likely to be incurred at this time. PWGSC's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued by PWGSC in the year in which they become known.

(b) Claims and litigation

Claims have been made against PWGSC in the normal course of operations. Legal proceedings for claims totalling approximately $632,600,683 ($342,989,424 in 2007) were still pending at March 31, 2008. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the consolidated financial statements. An amount of $8,500,000 ($4,000,000 in 2007) has been accrued in these statements.

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

13. Contractual obligations

The nature of PWGSC's activities can result in some large multi-year contracts and obligations whereby the department will be obligated to make future payments when the services/goods are received.

On October 31, 2007 PWGSC entered into an agreement for the sale-leaseback of seven buildings for gross proceeds of $1,353,315,920. Of the seven buildings, three were treated as operating leases and are reflected in PWGSC's contractual obligations for a total amounting to $1,220,572,434.

Significant contractual obligations ($10 million or more) that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2009	2010	2011	2012	2013 and thereafter	Total
Capital assets	18,000	6,000	6,000	-	-	30,000
Operating leases	176,000	179,000	165,000	142,000	1,278,000	1,940,000
Purchases	547,000	322,000	28,000	14,000	17,000	928,000
Total	741,000	507,000	199,000	156,000	1,295,000	2,898,000

14. Related party transactions

PWGSC is related as a result of common ownership to all Government of Canada departments, agencies and Crown corporations. PWGSC enters into transactions with these entities in the normal course of business and on normal trade terms. As a service provider, PWGSC provided accommodation without charge to other government departments throughout the year. In addition, during the year the department received services without charge from other departments. These services received without charge have been recognized in PWGSC's Consolidated Statement of Operations as follows:

(in thousands of dollars)	2008	2007
Employer's contribution to the health and dental insurance plans (excluding Revolving Funds) paid by Treasury Board	46,557	52,330
Legal services provided by Justice Canada	4,797	5,309
Workers' compensation coverage provided by Human Resources and Social Development Canada	2,413	2,649
Total	53,767	60,288

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

15. Equity of Canada

A portion of PWGSC's Equity is restricted and earmarked for specific purpose. Transactions related to the Seized Property Proceeds Account are recorded in special categories of revenues, and payments and expenses are charged against such revenues.

The Seized Property Proceeds Account was established pursuant to section 13 of the *Seized Property Management Act*. The net proceeds received from the disposition of seized and forfeited properties to Her Majesty or fines imposed and also monies received from the government of foreign states pursuant to agreements for the purpose of the *Act* are to be earmarked for specified purposes. Under the *Act*, expenses to be charged against the revenues include: operating expenses incurred in carrying out the purpose of the *Act*, amounts paid as a result of claims and repayments of advances from the Minister of Finance, interest on drawdown from Seized Property Working Capital Account and distribution of the proceeds to other government departments and the Consolidated Revenue Fund.

(in thousands of dollars)	2008	2007 *Restated (Note 16)*
Seized Property Proceeds Account - restricted		
Balance, beginning of year	**28,470**	32,845
Revenues	**29,548**	22,007
Expenses	**(28,754)**	(26,382)
	794	(4,375)
Balance, end of year	**29,264**	28,470
Unrestricted Equity of Canada, end of year	**1,891,881**	2,227,910
Total Equity of Canada, end of year	**1,921,145**	2,256,380

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

16. Restatement

(a) Change in accounting policy

The approach used in the evaluation of the severance benefits was changed in 2007-08 from a calculation based upon years of service and actual salary per employee, to an approach that uses an actuarial rate set by Treasury Board Secretariat. In addition, the termination benefits allowance for the Consulting and Audit Canada Revolving Fund was adjusted as the benefits ceased to be funded by Treasury Board.

(b) Restatement of Tangible capital assets

The Department has adjusted tangible capital assets to include assets identified as part of a divestiture strategy. These assets will remain under the Department's responsibility until they are fully divested to third parties.

Consequently, the comparative consolidated financial statements presented for the year ended March 31, 2007 have been restated. The effect of both changes is presented in the table below.

(in thousands of dollars)	**As previously stated**	**Effect of the adjustment**	**Revised amount**
Consolidated Statement of Operations			
Expenses			
Real Property	3,188,860	(12,880)	**3,175,980**
Information Technology	539,184	(8,224)	**530,960**
Acquisitions	391,950	(14,296)	**377,654**
Receiver General and Public Service Compensation	282,235	(8,369)	**273,866**
Translation Bureau	203,561	8,892	**212,453**
Business Integration	39,970	(278)	**39,692**
Consulting, Information and Shared Services	68,520	(206)	**68,314**
Audit Services Canada	58,177	562	**58,739**
Greening Government Operations	2,023	24	**2,047**
Total expenses	4,774,480	(34,775)	**4,739,705**
Net cost of operations	2,649,829	(34,775)	**2,615,054**

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

16. Restatement *(continued)*

(in thousands of dollars)	As previously stated	Effect of the adjustment	Revised amount
Consolidated Statement of Financial Position			
Assets			
[illegible]	[illegible]	[illegible]	[illegible]
Total Assets	4,782,706	12,180	**4,794,886**
Liabilities			
Employee severance benefits *(Note 11)*	220,739	(35,306)	**185,433**
Equity of Canada	2,208,894	47,486	**2,256,380**
Total liabilities and equity of Canada	4,782,706	12,180	**4,794,886**
Consolidated Statement of Equity of Canada			
Equity of Canada, beginning of year	2,189,990	12,711	**2,202,701**
Net cost of operations	(2,649,829)	34,775	**(2,615,054)**
Equity of Canada, end of year	2,208,894	47,486	**2,256,380**
Consolidated Statement of Cash Flow			
Net cost of operations	2,649,829	(34,775)	**2,615,054**
Amortization of tangible capital assets	(370,989)	(531)	**(371,520)**
(Increase) decrease in liabilities other than lease obligation for tangible capital assets	(68,166)	35,306	**(32,860)**
Note 3(a) Reconciliation of net cost of operations to current year appropriations used			
Net cost of operations	2,649,829	(34,775)	**2,615,054**
Amortization of tangible capital assets *(Note 7)*	(370,989)	(531)	**(371,520)**
Employee severance benefits	(39,504)	35,306	**(4,198)**

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

16. Restatement *(continued)*

(in thousands of dollars)	As previously stated	Effect of the adjustment	Revised amount
Note 4 Expenses			
Salaries and employee benefits	1,133,685	(35,306)	**1,098,379**
Amortization of tangible capital assets	370,989	531	**371,520**
Total expenses	4,774,480	(34,775)	**4,739,705**
Note 7 Tangible capital assets			
Cost - Opening balance			
Buildings	3,440,072	90	**3,440,162**
Works and infrastructure	839,841	21,080	**860,921**
Total Cost - Opening balance	7,738,274	21,170	**7,759,444**
Accumulated amortization - Opening balance			
Buildings	2,126,433	80	**2,126,513**
Works and infrastructure	325,504	8,910	**334,414**
Total Accumulated amortization - Opening balance	3,393,525	8,990	**3,402,515**
Note 11 Employee benefits			
(b) Severance benefits			
Expense for the year	60,815	(35,306)	**25,509**
Accrued benefit obligation, end of year	220,739	(35,306)	**185,433**
Note 15 Equity of Canada			
Unrestricted Equity of Canada, end of year	2,180,424	47,486	**2,227,910**
Total Equity of Canada, end of year	**2,208,894**	**47,486**	**2,256,380**

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

17. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

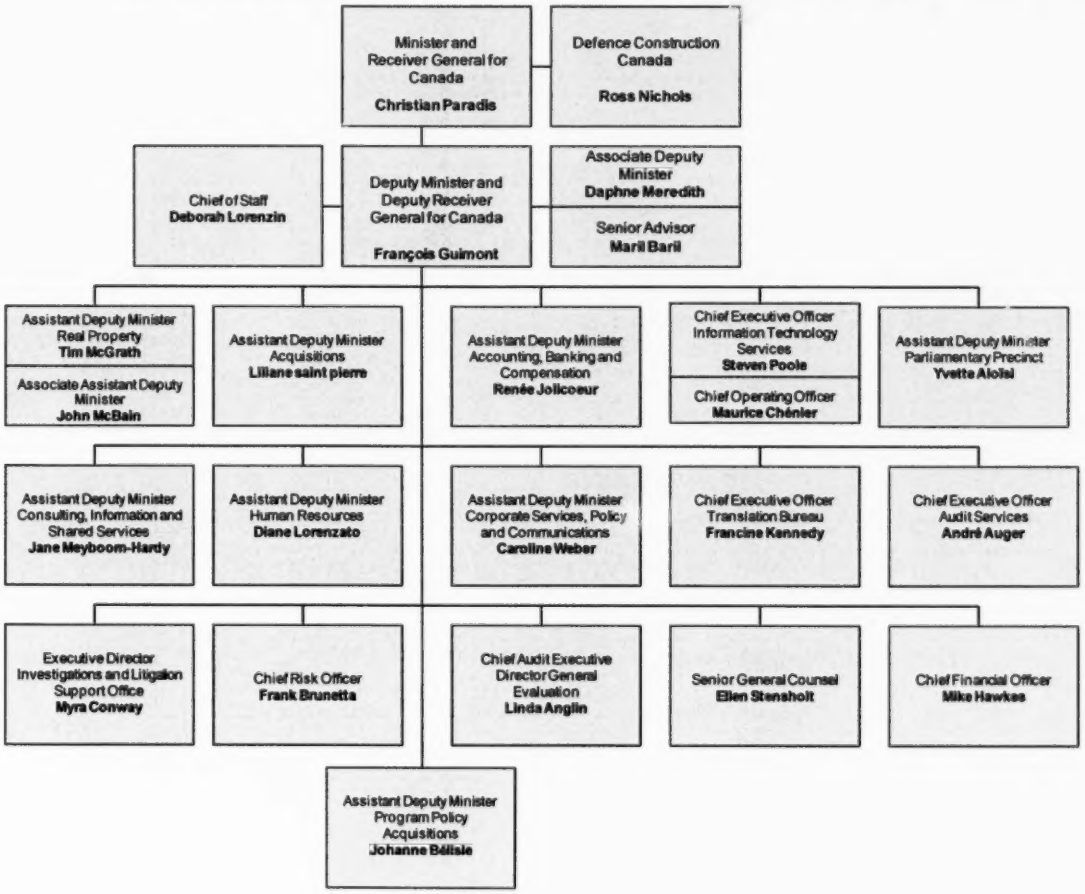
OTHER ITEMS OF INTEREST

This section contains additional information on PWGSC, including:

- Organization chart;
- PWGSC statutes, that set out the legal authorities for our services;
- Related Internet sites for information contained in this report; and
- Contacts for this report.

Organization Chart

Public Works and Government Services Canada



PWGSC Statutes

The *Act to establish the Department of Public Works and Government Services* (*DPWGS Act*), passed in 1996, set out the legal authorities for PWGSC. The *DPWGS Act* has since been amended in the *Budget Implementation Act of 2005* and *2007*. The *Federal Accountability Act*, which received Royal Assent on December 12, 2006, also includes provisions to amend the *DPWGS Act*. Section 306 provides for the position of Procurement Ombudsman to review, report and make recommendations on procurement practices in government, and to hear complaints from suppliers. Section 307 provides for the making of regulations to prescribe the duties and functions of the Ombudsman. These amendments will be brought into force by an Order in Council when the regulations are close to final.

The Minister of PWGSC is accountable in Parliament for the following 19 statutes:

- *Anti-Personnel Mines Convention Implementation Act* – This link does not exist.
- *Bridges Act* – http://laws.justice.gc.ca/en/showtdm/cs/B-8
- *Canadian Arsenals Limited Divestiture Authorization Act* – http://laws.justice.gc.ca/en/showtdm/cs/C-11.4
- *Defence Production Act* – http://laws.justice.gc.ca/en/showtdm/cs/D-1
- *Department of Public Works and Government Services Act* – http://laws.justice.gc.ca/en/showtdm/cs/P-38.2
- *Dry Docks Subsidies Act* – http://laws.justice.gc.ca/en/showtdm/cs/D-4
- *Expropriation Act* – http://laws.justice.gc.ca/en/showtdm/cs/E-21
- *Federal District Commission Acts to have acquired certain lands* – This link does not exist.
- *Garnishment, Attachment and Pension Diversion Act* – http://laws.justice.gc.ca/en/showtdm/cs/G-2
- *Government Property Traffic Act* – http://laws.justice.gc.ca/en/showtdm/cs/G-6
- *Kingsmere Park Act* – http://laws.justice.gc.ca
- *National Flag of Canada Manufacturing Standards Act* – http://laws.justice.gc.ca/en/showtdm/cs/N-9
- *Ottawa River Act* – http://laws.justice.gc.ca/en/showtdm/cs/O-9.5
- *Payments in Lieu of Taxes Act* – http://laws.justice.gc.ca/en/showtdm/cs/M-13
- *Pension Benefits Division Act* – http://laws.justice.gc.ca/en/showtdm/cs/P-6.7
- *Publication of Statutes Act* – http://laws.justice.gc.ca/en/showtdm/cs/S-21
- *Seized Property Management Act* – http://laws.justice.gc.ca/en/showtdm/cs/S-8.3
- *Surplus Crown Assets Act* – http://laws.justice.gc.ca/en/showtdm/cs/S-27
- *Translation Bureau Act* – http://laws.justice.gc.ca/en/showtdm/cs/T-16

Related Internet Sites

Acquisition Services – http://www.tpsgc-pwgsc.gc.ca/app-acq/index-eng.html
Business Access Canada – http://www.contractscanada.gc.ca
Department of Public Works and Government Services Act – http://laws.justice.gc.ca/en/showtdm/cs/P-38.2
Federal Accountability Act – http://www.faa-lfi.gc.ca/index-eng.asp
Government of Canada – http://www.canada.gc.ca
Information Technology Services – http://www.tpsgc-pwgsc.gc.ca/apropos-about/fi-fs/its-sct-eng.html
Audit and Evaluation – http://www.pwgsc.gc.ca/aeb/text/index-e.html
Office of Greening Government Operations – http://www.pwgsc.gc.ca/greening
Office of the Auditor General of Canada – http://www.oag-bvg.gc.ca
Public Service Compensation – http://www.tpsgc-pwgsc.gc.ca/remuneration-compensation/txt/index-eng.html
Public Works and Government Services Canada – http://www.tpsgc-pwgsc.gc.ca/
Real Property Services – http://www.pwgsc.gc.ca/realproperty/
Receiver General for Canada – http://www.pwgsc.gc.ca/recgen/
Small and Medium Enterprises – http://www.tpsgc-pwgsc.gc.ca/app-acq/pme-sme/index-eng.html
Speech from the Throne – http://www.sft-ddt.gc.ca/
Translation Bureau – http://www.translationbureau.gc.ca/
Treasury Board Secretariat Guide to the Preparation of Part III of the 2007-2008 Estimates – http://www.tbs-sct.gc.ca/rpp/0708/guide/guide_e.asp

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